

**INSIDE: Washington's wartime plans for Canada**

# Maclean's

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CANADA'S WEEKLY NEWSMAGAZINE

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A close-up portrait of Harold Ballard, an older man with a receding hairline, wearing a light blue dress shirt and a dark, diagonally striped tie. He is smiling slightly and looking directly at the camera.

## Harold Ballard's Slapstick Leafs



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### COVER

#### The fallen Leafs

The Toronto Maple Leafs' hockey team, once one of the preeminent franchises in professional sport, has reached the low-point of its 64-year history. Midway through the season, they are the worst club in the National Hockey League. Many fans blame the team's contentious owner, Harold Ballard, who says he has not made any mistakes. —Page 18

COVER PHOTO: J. MASON/GETTY IMAGES



#### A smouldering controversy

Tough questions face Prime Minister Brian Mulroney's government this week over disclosure of a secret U.S. plan to place nuclear depth charges in Canada. —Page 6



#### The Holocaust on trial

The debate lawyer is a Toronto hate-literature trial is challenging the veracity of historical accounts of the slaughter of Jews during the Second World War. —Page 43



#### Drifting into a second term

U.S. President Ronald Reagan officially embarks upon his second term of office this week, but the White House is vague on his plans for the nation's future. —Page 24



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#### Bridging East and West

Now retired to a Finnish chateau, the poet who was Canada's ambassador in Moscow, R.A.D. Ford, is one of this country's best-kept literary secrets. —Page 40



## The nation's pulse

Pussy Slacey believes that feminists and working women are threatening the sanctity of the traditional family ("The way women see themselves," *The Maclean's* Poll, Jan. 1). But her alternative would harness women to a narrow path between kitchen and bedroom with the strict admonition that no "Real Women" should be tempted to veer off course. Her exemplar: that feminist outsider heterosexual "second-class citizens who have to look like boys" can simply be attributed to a sensitive internal defence mechanism. Feminists just want choice, a point that Slacey is already not willing to concede.

—ADRIE BORMAN,  
Dorset, Ont.

Thank you for *The Maclean's* Poll 1: neither it strongly disagrees with Pierre Berton's verdict that "1884 saw the beginning of the end of Canadian nationalism" ("Looking for a simpler time," *Maclean's*, Dec. 30). Maybe Berton was not when Duxbury was in touch.

—BRIAN DOODY,  
Halifax

Your interesting study by Dennis Reynolds left me, for one, very uneasy. In your profile of Vern Olfertson ("At work with Vera Olfertson") you quoted his concern at the budget cuts on the CEC inflicted by our new government. You quoted Randy Allen of St. Catharines, Ont., as saying "I live 30 minutes from the United States border and I see how powerful their influence is over Canada."

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We should be less tied to them, not more" ("Young and not so restless," *Youth*). Apart from this there was almost no inclusion, in 33 pages, of the feeling held by so many Canadians for our own identity. I have to assume that the questions asked by Duxbury were predicated on a premise that everything our new government has done is nationally acceptable. We all accepted the enormous mandate given to Brian Mulroney and his government in September. It would be unfair to leap toward a final judgment so early in his term of office. But many of us are becoming very uneasy. *Maclean's* is Canada's "nationalist" magazine. Thus, to read in *Maclean's* what cannot be regarded as a completely objective study of our feelings has been most disconcerting.

—CHRISTIE JOHNSON,  
Sunderland, Ont.

## A matter for apology

When I agreed to speak on the phone to Toronto members of your staff (People, Dec. 30), it was on the clear understanding that the primary subject matter would be a discussion of my book, *The Complete Good Dining Guide to Greater Vancouver Restaurants*. The result was a partially erroneous story and inappropriate sentiments from the following is a correction of the two most important errors: (1) the presenter in the case did not accuse me of premeditated murder—he specifically excluded premeditation from his theory; (2) my wife's body was not dismembered. On the first point you gave an unequivocally published apology to me, on the second, a similar apology to all those who with me cherish Betty's memory. —CRISTIE JOHNSON,  
Vancouver.

• *Maclean's* regrets its errors and apologizes for them.

## PASSAGES

REHARMED Banking executive Russell Harrison, 65, after almost 40 years in the business, from his position as chairman of the Canadian Imperial Bank of Commerce. Born in Grandview, Man., Harrison held several managerial positions with the CIBC before he took over as chairman and chief executive officer in 1976. During Harrison's tenure as chairman, CIBC assets rose to \$68 billion from \$30 billion, although the bank suffered losses on several large corporate loans. The board of directors elected president Donald Fetherby, 58, as chairman at the bank's annual meeting last week.

CONVICTED Roy Elmsley, 72, at the end of his third trial over the 1971 slaying of Sandy Shaye of manslaughter in Sydney, N.S. Elmsley, whose two previous trials resulted, respectively, in a hung jury and a conviction, was released on his own recognizance pending sentencing on Jan. 30. A Nova Scotia Supreme Court ruling overturned his earlier conviction. Wendy convicted Donald Marshall was released in 1983 after serving 11 years for the same crime.

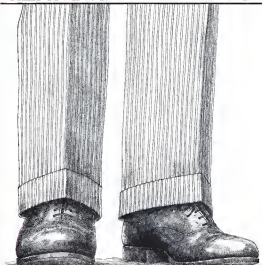
DEED Former football player, sportscaster and advertising executive Harry (Red) Porter, 70, who founded Porter Advertising Agency in 1964 and sold it to a group of his employees in 1972, of complications following a series of operations at the Toronto General Hospital.

DEED University professor, poet, critic and translator Robert Fitzgerald, 74, who received the first Bollingen Award in 1961 for his translation of Homer's *The Odyssey*, after a long illness, at his home in Hamden, Conn. Fitzgerald's collected poems appeared in book form in 1971, and his most recent work of criticism, *Enduring the Change*, was published late last year.

DEED Wide-eyed, blond actress Carol Wayne, 36, best known for her occasional appearances on *Johnny Carson's* *The Tonight Show*, of drowning at Manzanillo, Mexico. The Chicago-born, Los Angeles-based Wayne began her showbusiness career as a skater with the Ice Capades and later moved to tv, appearing in a number of series. She also appeared with Peter Sarsgaard in *The Party*.

DEED Afternoon TV soap opera performer Carl Dawson, 65, who performed in recurring roles on *The World Today*, *The Goodbye Look*, *Another World* and *Search for Tomorrow*, of cancer, in Bellevue Hospital, New York. Dawson also performed on stage, where he starred in the Broadway and tour productions of *Shogun* and *Abound*. Perseus Singularity in the 1970s.

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### Just another love letter

Peter C. Newman's Dec. 24 Business Watch, "A dancing debut in New York," was profoundly distressing for several reasons. In his wide-eyed, uncritical fawning over Brian Mulroney's speech to the Economic Club of New York, Newman fails to touch upon any of the real issues surrounding the subject of foreign investment in Canada. Is Canadian economic nationalism dead? Will we be destined to serve as a beach playstiff forever? Instead of addressing these questions, we get yet another love letter to the powerful.

—TIM ALLEN,  
Toronto

### Postscript, 1984

In "Images of '84" (Cover, Dec. 21), the demise of William Powell was not mentioned. As someone who has obtained such pleasure from *The Thin Man* series, *My Men Godfrey and Mr. Roberts*, I would like to extend a thankful farewell.

—D. HILLAGE,  
Richmond, Ont.

It takes the laud brilliance of Pierre Berton ("Longing for a simpler time," Envy, Dec. 21) to display the current sorry state of the Earth's predominant species: a quarrelsome, territorial, obsessively obsessed, technologically inspired and socially retarded.

—NAN POWELL,  
Vancouver

### Rethinking employment

Regarding "Fate and hope in the workplace" (*The Machine's Fall*, Employment, Jan. 1) you report accurately that the CMAA study calls for "a new social contract." It is misleading, however, to suggest that the CMAA study "failed upon (Canadians) to share their jobs and incomes with the unemployed." Rather, our widely proposed acceptance of a wider range of work-life choices which would allow Canadians more flexibility in how they fit employment into their overall pattern of life without the stunting their job or income security. Achieving in part or in form of such a work-life choice is not a solution in the absence of a state aid incomes policy that would offer adequate protection to those who choose to work less for a temporary or extended period of time in order to pursue other socially productive activities.

—PETER CLUTTERBUCK,  
Associate Program Director,  
Canadian Model Health  
Association,  
Toronto

Letters are edited and may be condensed. Writers should supply names, address and telephone number. Mail correspondence to: Letters to the Editor, Maclean's magazine, Maclean's Tower Bldg., 777 Bay St., Toronto, Ont. M5W 1A7.

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## A fight over blood profits

In 1976 John Moore, an Alaska surgeon, underwent successful surgery at the University of California, Los Angeles (UCLA) Medical Center to treat his for baby-cell leukemia, a rare form of cancer of the white blood cells. By extracting most of the leukemic cells from his body, doctors removed his so-

called spleen. Last September the retired, 39-year-old Moore—now a syndicated advice columnist living in Seattle, Wash.—received the nation's first payment for his rare blood cells. The UCLA for his baby-cell leukemia, a rare form of cancer of the white blood cells. By extracting most of the leukemic cells from his body, doctors removed his so-

his blood, without infecting him. Moore, whose blood contains unique immunological properties related to his cancer, claims that the patent—filed in January, 1980—could yield valuable treatments for Acquired Immune Deficiency Syndrome (AIDS) as well as for some types of cancer, and his suit demands a share of the profits. Just south the Los Angeles Superior Court will decide whether to grant Moore a trial. But Moore's attorney, Sanford Gage, "We are determined to pursue this so that other research will not be conducted at patients' expense."

The reforms may affect thousands of patients whose cells and tissues might lead to biomedical discoveries. Since Moore filed his suit, numerous doctors have called Gage to find out how to file similar actions. At the same time, dozens of doctors conducting research at other universities have called Dr. Daniel Goldie, one of the top researchers named in the suit, to consult with him about the possible legal risks. Goldie "Too much caution will make cancer research harder. If everyone was able to claim property rights to cell lines, that would make it happen."

After the surgery in 1976 Moore's condition stabilized. Goldie offered to pay Moore's travel expenses from Seattle to Los Angeles for nonmedical tests, contending that they would enable university doctors to study his rare disease and monitor his condition. But Moore claims that he learned little about his health during those visits and nothing about the potential cure.

Before his operation, Moore signed consent forms giving the university permission to dispose of body parts taken from him. Indeed, doctors used leukemic cells from his spleen to produce the patented cell line—called the Mo-cell line—from the first two letters of Moore's name. But Gage claims that the consent forms did not give doctors the right to the blood in Moore's spleen. "The doctor," said Gage, "had a clear fiduciary responsibility stated in the consent form to tell the patient of anything other than routine use of blood or body cells."

Both sides anticipate a protracted legal battle—one that may eventually prove lucrative to Moore. Indeed, Gage maintained that the researchers would not have engaged in a laborious three-year patent process without the likelihood of substantial profit. And a number of U.S. medical professionals concerned with biomedical ethics have publicly agreed with Moore's claim that doctors should tell patients if research using their cells could make money. For the Seattle scientists, that conclusion would be even more welcome if it came from the court.—ANN WALSHLEY, with Angelo Gramata in Los Angeles

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## A new approach to universality

By Diana Cohen

The starting point for economic planning today is the recognition that we have no money to throw around. The federal government agrees. "Growth cannot itself resolve the structural imbalance between government expenditures and revenues. Indeed, expenditures now exceed revenues by such a considerable amount that it is necessary to raise taxes by two percentage points a year faster than expenditures simply to keep the deficit constant."

Finance Minister Michael Wilson said it, there on page 21 of "A New Direction for Canada," the economic statement he delivered on Nov. 3. Wilson's initiative was warmly applauded then, and even now, it's hard to dissent. It's not only so by the philosophical ("Yes, we really do have to get our financial house in order") but the statement also sparked the debate over the universality of social programs—a debate that has taken a dangerous turn. The question is: How can we pay for the social programs that we want? On the one side, there are those who would do anything short of re-examining a position taken during the good old days, when money was no object and money was scarce. On the other side are the righteous free enterprisers who claim they would not be as happy if every single one of us had to get out and earn our own way.

Neither of these positions is tenable. In the halcyon days of the 1880s and 1960s universal coverage made sense for many reasons. First, it was easier to administer. In the days before sophisticated computer programs and expert systems, working out the subsidy would have cost more than it was worth. Not only that, but Canadians weren't inclined, for the sake of saving a few bucks, to point the finger at those who would have to be means-tested. On the other side of the debate, Canadians saw a society have never truly indicated that they want to go back to dog-eat-dog capitalism and a world without substantial social programs.

The universality debate, so far, is missing the point. The debate should not be about who gets family allowances or the old-age pension or even medicare hospitalization. The real question with which we must grapple is this: "If we were starting from square 1 to devise a social safety net, would the system we put in place today be the system we have

in place today?" It is the gap between what we now have and what we need to provide future security that we should be debating—not whether a patchwork of social programs devised uncoordinately over 20 years of intermittent affluence is perfectly adequate to see us through just to the 21st century but through the transition from an industrial to a postindustrial society.

A preliminary examination of spending on the basis of trying to answer the above question requires that we at least put aside preoccupation with the flaws of the present, and consider the benefits of the old-age pension.

Federal spending on the "social safety net" is roughly \$40 billion. Of this, Family Allowances—our tax money returned to all families with children under 16—amounts to just over \$2 billion. (Never, never again think that the government is giving you something.) Old Age Security, paid to all elderly Canadians

*The debate over the universality of social programs has taken a dangerously contentious tone.*

on regardless of income, will consume about \$8 billion this year.

Typically, then, Canadians have chosen to focus their attention and their energies on the small end of the stick. It may be instructive to look at where the rest of the \$40 billion goes.

There are, of course, other child-related benefits—the Child Tax Exemption, filed by families who have both children under 16 and a "qualified" income tax—\$8 million more, \$1 billion. The refundable Child Tax Credit is returned to low- and middle-income recipients of family allowances. In round numbers, \$1 billion.

The Guaranteed Income Supplement, which guarantees a minimum income to the elderly—\$35 billion. The age exemption and the pension income deduction are income tax provisions available to elderly Canadians by virtue of their age or their having private pension income. Round numbers, \$600 million. Unemployment benefits, \$1 billion. Established Programs Financing—money collected by the federal government and returned to the provinces to distribute among social programs under

just \$100 million—\$7.5 billion. The Canada Assistance Plan, another arrangement whereby Ottawa transfers collected revenues to the provinces, \$15 billion. Various and sundry programs, such as nonprofit housing with assistance by Canada Mortgage and Housing Corp., some \$1 billion.

The point of this essay is not to educate us in the specifics of how our money is being redistributed. It is to suggest that once the perspective is widened sufficiently to see the contours of the forest rather than just the detail of the trees, it becomes apparent that adopting the social safety net in the future involves re-examining all programs that comprise "government spending," as well as the underlying assumptions.

Once that perspective is achieved, it is more clear that the revenue side of the ledger cannot remain sacrosanct. Once again the question is, "If we were starting from square 1 to devise a tax system to raise revenue, would the system we put in place be the one we have in place?" The biggest question that must be answered about the revenue side of the picture is, "What do we want our taxes to do?" That may seem like a dumb question—taxes are devised to raise revenue. But they surely aren't doing a good job of that. Furthermore, Canadian policy makers in recent years have been much more concerned with devising taxes that change our behavior and gas shippers when Ottawa wants to develop the energy industry, the shippers when it wanted a Hollywood South, atoms (single and residential buildings) when apartments were in short supply. As Robert Atkinson, Saskatchewan's finance minister, and after last week's federal-provincial meeting, "Maybe what we need is a tax system that is good for raising revenue."

Like the last tax proposals being reviewed in the States—instead of the one we have that seems to be more concerned with lifting with the economy? There is one sentence in the Wilson speech that may make it easier to judge the debate closer to where it should be: "More effective adjustment does not mean removing the social safety net, indeed it probably needs to be strengthened to ways that foster adaptation, rather than inertia and fear of change."

Having established that, perhaps there's a chance to see our tax system talking about the right problem.

Diana Cohen is a Montreal-based economics writer.



# A debate charged with danger



Crises every 8-12 over Cold Lake, Alta.; October: a moral obligation to consult Canada

By Ian Austen and Terry Hargreaves

Since Prime Minister John Diefenderfer's Conservative government fell in 1988 and saw treasury over his refusal to arm Canada's U.S.-built B-52 bomber with nuclear warheads, the timing of nuclear weapons on Canadian soil has been a volatile political issue. Under Liberal Prime Minister Lester Pearson the Bomarcas were subsequently armed, only to be removed from Canadian soil in 1971 by his successor, Pierre Trudeau, whose goal was to free Canada of involvement with nuclear arms. Finally, in fulfillment of Trudeau's pledge, the last nuclear weapons known to be in Canada—some 55 outdated Goize air-to-air missiles—were sent back to the United States last summer. But the nuclear issue threatens to blow up again. Canadian defence department officials last week confirmed the existence of a U.S. plan—that Ottawa had known nothing about—so base nuclear weapons in Canada during a war scare.

The revelation provoked protests over Westminster's failure to inform Ottawa of its intentions, and a host of opposition questions for this week's resumption of Parliament after a Christmas recess. Declared the former chief of Canada's defence staff, retired Admiral Robert Fella: "The United States has a moral obligation to consult us when asking us to accept a commitment to host nuclear weapons on our soil." "It is a time of crisis," Fella stated. "There were such negotiations

they would be at the highest level between the President and the Prime Minister."

According to Arken, who directs the Arms Race and Nuclear Weapons Research Project at Washington's private Institute for Policy Studies—a respected liberal think tank—the plan to base U.S. nuclear depth charges in Canada and other foreign countries is mentioned



in the scheme as no more than "an internal U.S. defence department tentative planning strategy."

But in Washington, Ralph Jengshyn, a defence specialist at the Canadian Embassy, met for talks with William Arken, a Washington-based nuclear policy analyst. His revelation earlier this month of the United States contingency plan to locate 10-kiloton nuclear depth charges in Canada and seven other countries had already set off controversy in Ireland and Bermuda. At week's end, a statement issued by Canadian Defence Minister Robert Coates stressed that no secretariat with the United States for leasing the weapons in Canada existed and that no negotiations were planned. "It is a time of crisis," Coates stated. "There were such negotiations

they sought off balance by reports of the U.S. plan, Canadian officials moved quickly to shut out more in Ottawa, the chief of Canada's defence staff, General Gerard C.E. Theriault, while noting that he had since confirmed the existence of the plan in conversations with U.S. military officials, dis-

counted to be moved into Canadian soil at a time when a warlike situation involving the United States appeared to be developing. Arken speculated that the most likely places for the bombs to be located would be at the Canadian Forces Bases at CFB, B.C., and Greenwood, N.S.

Opposition politicians and military experts reacted with alarm. Liberal House Leader Herb Gray told reporters that the U.S. plan appeared to contradict "the long-standing government policy not to have nuclear weapons in Canadian territory." Praline Jewett, the New Democratic Party's external affairs critic, said that she was "aghast." Jewett insisted that Ottawa must make it clear to the United States that permission to deploy nuclear weapons in Canada "would not be automatically forthcoming. This country has got out of the nuclear weapons business."

Arken's revelations have already triggered controversy in two other countries that are earmarked in the nuclear deployment plan as sites for nuclear depth charges. Arken made his information available to Ireland's prime minister, Seamus Haughey, in December, and the subject continues to dominate debate in the Irish parliament. In the British Crown colony of Bermuda, Premier John Swan demanded an explanation from Washington after his government learned that the United States planned to base nuclear depth charges on the Atlantic island.

By coincidence, the new nuclear controversy blew up last week as a U.S. Air Force B-52 bomber flew in over the Beaufort Sea and south to a weapons range in Alberta for the second of four scheduled flights over Canadian soil to test the guidance system on an unarmed cruise missile. As protesters gathered across the country, Calgary's Catholic Bishop Anthony Frawley of Ottawa denounced the tests as a rally as "not only morally bankrupt but dangerous."

But Canada's antinuclear opposition seemed cold in comparison to the protests that have erupted in Belgium, where Prime Minister Wilfried Martens last week denied NATO plans to deploy 16 of the missiles in his country beginning next month. Martens insisted that deployment would go ahead, despite warnings that his government faced a referendum on the issue.

In Canada, the smouldering nuclear controversy does not pose as pressing a political threat for Prime Minister Brian Mulroney's four-month-old government. Nevertheless, critics in Ottawa viewed the U.S. plan's implicit effort to Canadianize inventory risk, at best, as an embarrassment to a government that has stressed a new, closer relationship of mutual confidence with Washington.

## Looking for soft spots

By Roy MacGregor

A few minutes before the federal cabinet broke last Thursday from its winter strategy retreat at the government lodge in the Gatineau Hills, House of Commons Leader Ray



Hnatyshyn, coming out of a dry period

Hnatyshyn glanced out on the blowing snow, shook his head and remarked, "We could be trapped here till Easter—maybe we'll never be seen or heard of again."

But the chances of that were slim indeed. That week Parliament was back in session after its month-long Christmas break and embroiled in debate over the 1988-89 Winter Olympics. As was regarded as a prelude to the interrupted debate on universal social programs had to rethink their tactics. Emerging from an Ottawa call-

net session, Prime Minister Brian Mulroney confirmed that accessibility is a "sacred trust" and that "there will be no changes."

Health Minister John Ego elaborated, ruling out any special tax to refund family allowances or pension benefits from upper-income Canadians and ruling out means tests to determine eligibility for these programs. After a period as dry as the Beaufort Sea now facing Hnatyshyn, the wheels of the Mulroney government were again in motion and, the critics would say, as still as ever.

The cabinet gathering was just part of a flurry of events last week whereby the Mulroney government sought to put itself back into public focus as a confident, action-oriented administration. Mulroney himself was in Montreal to woo Louis Labegee, head of the 400,000-member Quebec Federation of Labor, to the point where Labegee, once a fierce Mulroney critic, pronounced his group as nothing short of "very happy." Finance Minister Michael Wilson greeted with smiling provincial finance ministers in Montreal. Transport Minister Don Mazankowski announced the resumption of six passenger train lines, including The Super Continental, and said his department would study the possibility of a Via Rail revamp that could cost as much as \$800 million. And so far away as London, England, Thomas D'Aquino, president of Canada's Council on National Relations, was delivering a report and "conferred with Air" on the first four months of the Mulroney government.

It all seemed too good to be true—and was. For some other Canadians were then accused at the groups on St. John's, president of the Ontario Chamber of Commerce, for one, that Mulroney's propensity for consultation on a wide range of issues could inhibit his government's capacity for action. Two much socialist-leaning, socialist Hughes, "a very real risk. If [Mulroney] is too dependent on getting information from all the people who could be affected, then we'll never get anything done." There was a sense that the pre-Christmas weeks had been all talk and little action. Apart from announcements left over from the previous Parliament there was little to show but a bill to change the name and title of the Foreign Investment Review Agency to Investment Canada and legislation to provide gold commemorative coins for the 1988 Calgary Winter Olympics.

Last fall, however, was surely "the first leg of a journey," and Hnatyshyn's New sitting, he assured, would not be done as members' hands. He said



Turner, with MP Doug Fyfe and Herb Gray of Montebello, blurring the doubles.

that in the new session the government would introduce an Criminal Code amendment to deal with matters ranging from hate propaganda to prostitution, armed forcing statutes to bring them into conformity with the 1982 Charter of Rights and Freedoms as well as introducing incentives for small-business rent and business.

All the same, while Mulroney eagerly took credit for the 300,000 new jobs Statistics Canada said were created over the past three months, other economic indicators—from inflation to the foreign exchange value of the dollar—are mildly worse than when the Conservatives were elected last Sept. 4. The Tories, although pledged to curb federal spending, may be faced with further savings to deal with the 1.3 trillion unemployed. "They're either going to have to raise up with something or else they're going to end up paying billions of dollars to the unemployed and those on welfare," said Ian Deane, New Democratic Party House leader. "Either way, they've got to spend money. Indeed, Mulroney warned that had new rights will be in place when Finance Minister Michael Wilson brings down his first budget in April. "It always is difficult when you're cutting back an expenditure," noted Mulroney, adding that Ottawa had to stop living on borrowed money. "The government ran out of red dollars a long time ago."

In the meantime, John Turner's Liberals approached the interim plan of Pro-

vincial relief from bad press notices. Turner, dismissing the criticism as mere "phantom war" that reality, used a two-day caucus meeting last week at Montebello, Que., to try to repair his image. Behind closed doors, Turner blasted his caucus for their constant singing and doubting about his leadership with such fury that the police warning system was activated (for fear his shouts would spill into print).

Much of the talk about the possible disintegration of the Liberals had been raised by two unrelated rumors—one floating through Quebec circles that Turner would retire "graciously" by Easter, the second floating through Turner's own office that the latest Gallup poll had the Liberals losing the New Democratic Party by a remarkable six points, 55 to 16. But when the poll appeared, the Liberals had 34 points to the NDP's 30. Both rumors far behind the Tories, who were supported by 34 per cent of those polled Oct. 6-8.

Liberals House Leader Herb Gray said he hopes the caucus will perform more as the Liberals did in the week before the recent. Then, the two opposition parties had the Tories in retreat over proposals to dis-

the universality of social programs. In the coming months, Liberal strategy will be buttressed by two factors—preservation of the Canadian cultural identity and, in a step that Turner may find as awkward as giving up his familiar one-cash, glorification of the Trudeau years, which pollster Angus Reid told them will now sell well. Mulroney was convinced that believing in the House would arise less because of Tory shortcomings than over what he calls "the life-and-death struggle going on between the NDP and the Liberals" to be the real opposition. But Deane, citing the weakened opposition in the social services debate, dismissed that "if anything we've held the government more accountable with just 70 opposition members up against 311 that happened in the previous Parliament. The Tories seem to be much more vulnerable."

Both opposition parties expect that the government will provide new targets, including probable increases in oil pricing, possible retreat from the mining system and bigger deductions from paycheques to finance the Canada Pension Plan. Wilson dismissed criticism in speeches—the first since the program was set up in 1986 to augment the universal Old Age Security—in his Montreal meeting with his provincial counterparts. The current levy of 33.6 per cent is applied to a maximum of \$20,000 earned by salaried Canadians, with 1.8 per cent being paid by the employee and the other half by the employer. Wilson foresees possible eventually exceeding government, which total more than \$27 billion a year, and a number of retirement income increases. "It's a pay-as-you-go fund, so premium increases are inevitable."

The opposition is also looking forward to soft spots in Wilson's firm full-blown budget, which is expected to be presented in the April 25 to 26 period. Wilson is committed to an entire program that aims to reduce the gap between what Ottawa collects and what it

spends—a projected deficit of almost \$38 billion in total outlays of just over \$100 billion in the budget year that ends March 31. "Everybody is concerned the Tories are going to drop 12 points in popularity polls around here," said freelance MP Sergio Marchi (York West) at the end of the Liberal gathering at Montebello. "Our job is going to be to make sure we pack them in."

With Hilary Maclean and Michael Chapman in Ottawa.

Mulroney: In focus



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# Shelving the separatist option

By Anthony Wilson-Smith

Although the final successful week leading to the Parti Québécois's special convention, Bernard Tremblay, a party member and an ardent separatist, "hoped and prayed that it wouldn't be true." But at 1:05 p.m. on Saturday Tremblay's worst fears were confirmed when convention delegates voted by 609 to 423 to effectively shelve the issue of Quebec sovereignty in the next provincial election. With a strong and a nurse, Tremblay and more than 100 other PQ hard-liners stood up and headed for the door of Montreal's Palais des Congrès. "After 15 years, I

deserve to see the PQ a better opportunity—a chance to "start around from something that was dangerously close to ghettoization, a disorientation from public opinion."

The vote left the party badly split, and separatist hard-liners, led by former cabinet minister Danielle Laurin, threatened to hold the PQ in firm a new party in time for the next election, which must be held by April, 1995. At the same time, a survey published Saturday in the Montreal daily *La Presse* confirmed that support for the PQ—and the separatist option—was rapidly slipping away. The poll by the *Centre de Recherches* *Opinion Publique* (CROP)

comprised with Lévesque on Tuesday. Laurin, who resigned from Lévesque's cabinet along with other ministers in December to protest Lévesque's position on independence, met in Montreal with Lévesque, who reiterated his refusal to discuss sovereignty in an election campaign.

In the tense pre-convention atmosphere, one of the key questions among delegates was Lévesque's political future—and the state of the 65-year-old premier's health. After calling short a Caribbean vacation two weeks ago and checking into a Quebec City hospital for medical tests, Lévesque was given a clean bill of health. But that didn't stop rumors about the premier. After a report in *Le Journal de Montréal* last week suggested that he was suffering from a disorder known as transient global amnesia, Lévesque radically told reporters that once the convention was over he planned to contract the illness "for a week... in the car."

Other concerns over the party leadership surfaced on the eve of the convention as reports circulated that some of the same *Québécois* who supported Lévesque's move to abandon sovereignty as an election issue were pressing for him to step down as leader, on the grounds that the PQ would only win the next election with a newer and younger leader—such as Lévesque's justice minister, Pierre Marc Johnson. Although Johnson is frequently mentioned as heir apparent—and Lévesque's own favorite for the succession—the spokesman informed Lévesque's legalists who contend that Johnson, 38, is too impatient to assume the position.

That sentiment was shared by sovereigntists like Laurin, who suspect that Johnson is more interested in political power than in the cause of Quebec independence. In a pamphlet mailed to delegates last week, hard-line separatists said that the party's current course of coexistence had been provided by an assumed person "who has an important role in a context for the leadership."

At the same time, the opposition Liberals were helped last week when Prime Minister Brian Mulroney, following a meeting in Montreal with Liberal Leader Robert Bourassa, announced that he would "open the first door" to the creation of a provincial wing of the Conservative Party. That announcement alarmed fans on the part of Quebec Liberals that a Conservative electoral option in the province could siphon off potential Liberal support from confederalist voters in the province. Without Bourassa, the choice for voters would be clear cut. "They can vote for the Liberal party, which clearly believes in one option—Canada—or a party that is a mix of separatists and false federalists" PQ



Lévesque of PQ convention finding support for the party, and for separatism

give up on them," declared Tremblay. "The Parti Québécois is now more federalist than separatist."

In a predictable but dramatic piece of political theatre, the PQ's one-day special convention last week appeared to mark the end of an era in Quebec politics. The party's milestone decision could usher in a new period in which, for the first time in 15 years, separatism is no longer one of the principal issues in the province's political life. Although Lévesque, looking tired and by now, declared that "the question of sovereignty is far from eliminated," he noted that the party's

showed that if an election had been held earlier this month, Bourassa's Liberals would have been more popular among voters than the PQ by a margin of 53 per cent to 38 per cent. The polls also indicated that only four per cent of the respondents favored independence for Quebec, down from 18 per cent in 1989.

Paradoxically, the decision by the convention appeared likely to increase the PQ's public support—and pressure on Lévesque to step down. The setback by sovereigntists came despite efforts earlier in the week by Laurin to find a

# A risky run for Tory power

For nearly 13 weeks the campaign for leadership of Ontario's governing Progressive Conservative party was fought without coin, excitement or suspense. But as the most famous Premier William Davis entered the home stretch last week, the air of general politeness that has characterized much of the campaign so far began to dissipate. Attorney General Roy

a leadership debate in the provincial capital, the 52-year-old lawyer drew loud applause when he attacked his own government for closing too "restrictive" in responding to the needs of the province's 183,000 unemployed young people. McMurtry also charged that despite a massive increase in spending on hospitals and medicine since 1975, the Ontario government's policies on health care



McMurtry, McMurtry, Gorman and Burtell at aggressive 11th-hour attack

represented only a "Band-Aid approach" to solving the province's problems. McMurtry's opponents—all three of whom are former health care critics in the provincial government—quickly brushed his remarks as signs of desperation. Agriculture Minister Dennis Timbrell, for one, accused McMurtry of irresponsibility, claiming that the province's health care system was the best in the world. Added Industry Minister Frank Miller, 57, the likely leader among the four candidates "The

represented only a "Band-Aid approach" to solving the province's problems. McMurtry's opponents—all three of whom are former health care critics in the provincial government—quickly brushed his remarks as signs of desperation. Agriculture Minister Dennis Timbrell, for one, accused McMurtry of irresponsibility, claiming that the province's health care system was the best in the world. Added Industry Minister Frank Miller, 57, the likely leader among the four candidates "The

politics of pessimism in have never existed in this province. But if it helps (McMurtry) lose, I am all for it."

Indeed, McMurtry's short-term-theory strategy questioned obvious political perils. By assailing the Tory government's own record, McMurtry risked alienating many of the 1,711 delegates who will attend the convention at a downtown Toronto exhibition hall. At the same time, however, his strategists argued that he is more capable than the other three candidates of broadening the party's political base among non-Conservative voters and that he is the most popular of the four contenders. According to a poll carried out for the McMurtry campaign, the attorney general was the choice of 52.2 per cent of the province's voters, while Treasurer Larry Grossman ranked second with 18.2 per cent, followed by Miller with 18.8 per cent and Timbrell with 9.3 per cent.

Still, among delegates to the leadership convention Miller's lead appeared to be formidable. His campaign's own survey suggested that he will receive more than 600 votes on the first ballot—about 250 short of a victory. Privately, even Timbrell's supporters acknowledged that the others would have a chance of stopping Miller only if the two candidates who finish third and fourth on the first ballot threw their support behind the second-place finisher. By last weekend Timbrell, 38, appeared to be holding a narrow lead over Grossman, 41, for second place.

There were few indications of any coordinated effort to prevent Miller from winning. Still, and in the other three candidates portrayed Miller, a former chemical engineer, as the most right-winged of the contenders. And they argued that Ontario voters are more likely to vote for a Tory government led by a reformer, as they were during his 14 years as premier. They added that if Miller becomes premier, both the provincial Liberals and the New Democratic Party will have a better chance of making gains in the provincial election that is expected in the spring.

As the backdrop manufacturing continued, Davis himself moved to clear up awkward business before leaving office. The 55-year-old premier announced four high-profile patronage appointments, including the posting of Inter-governmental Affairs Minister Thomas Wells to London, the province's next governor. There is one of his final acts, the opening ceremony unveiled plans for a \$150-million domed stadium—Canada's second after Vancouver—to be built with public and private money on a large site just west of the base of the CN Tower in Toronto. For Davis, it was a parting gift to a province that has faithfully voted Conservative for 42 consecutive years. —ROSS LARSEN

# Requiem for the fallen Leafs

## ESSAY

By Robert Miller

During the 1994 Delisle, Sask., was too small to appear on most maps, but dedicated Toronto Maple Leaf fans knew where it was (40 km northwest of Saskatoon, on the Canadian National Railway's main line). They also knew that it was a wheat farming community that had a rink, that its winters were wonderfully long and crisp. They knew those things because Delisle, Sask., was Max Bentley's home town. It was where Bentley and his brothers Doug, Reg, Roy and Jack first learned to play hockey. At its highest level, which every Canadian fan once understood to be the storied National Hockey League, hockey brought fame to its stars and excitement to the followers. For decades, until the 1960s, expanded in 1967 (later, in 1979, the Soviets arrived, changing everything), the game helped Canadians define themselves. It was part of what made them unique. Hockey nurtured—and so did the professional teams who played it. The game worked a special magic that induced adults to talk in proprietary terms about their favorite clubs and youngsters to keep notebooks.

**Devoted:** Max Bentley was a Maple Leaf, an all-star career acquired from the Chicago Black Hawks for five other players in a celebrated 1968 trade. The Bentley deal was negotiated by Leafs owner Conn Smythe, who opened Maple Leaf Gardens on Nov. 12, 1931, and who watched his arena evolve into a national shrine, a 20th-century Canadian cathedral where such legends as Bentley played before adoring congregations while the nation listened to Foster Hewitt's play-by-play on radio or at home. Bentley, who died on Nov. 28, 1990, but he lived long enough to see his once-proud son become less than ordinary and his arena grew old gracefully under the benign ownership of 81-year-old Harold Ballard. The decline and fall of the once-mighty Toronto Maple Leafs, apparent victim of bad luck and worse management, is now virtually complete. It undoubtedly troubled Bentley and it probably puzzled Bentley, who died on Jan. 18, 1994, at the age of 63. Smythe, Bentley and yesterday's Leafs had one thing in common: a touch of class.

Although Bentley had won back-to-back m.v. scoring titles with Chicago in 1946 and 1947, Smythe's five-players-for-one deal seemed prohibitively expensive according to the values of the day (Older players, the legendary Boston Bruins who became irrelevant as a lightbulb market when he acquired the Springfield Indians of the American Hockey League, once

traded defenseman John Bucyk for a net). But Smythe was always a high roller, a sports entrepreneur who never lost the first rule of the entertainment business: keep the paying public happy. In 1931 Smythe wanted a winning team in his new building, and he decided that the key to success was a rugged little defenseman named Frank "King" Clancy, the property of the Ottawa Senators. Smythe bought Clancy for the then unheard-of price of \$55,000—which the financially strapped Leafs owner set at Woodhouse's rate truck by paying a loan into a horse he owned, *Baron Jewell*. Clancy, now an 80-year-old vice-president of the Leafs and one of Ballard's staunchest friends, delivered, leading the 1931-32 Leafs to the



Ballard (above), The Who rocking the Gardens: stars now play guitars

their passionate following, succeeded in yet another great *hockey* in a country rife with geographic, linguistic and religious divisions. Canadian thousands of young Canadians collected glossy photos of their favorite Leafs, through an ingenious Ben Hur era spring promotion. Thousands more learned some of the geography of their country by looking up the obscure communities that proudly sent their native sons to play in the Gardens (or the Montreal Canadiens).

**Reverence:** Wherever they lived, young Leaf fans were aware of Paris, Ont., primarily because it was team captain Syl Apps's birthplace. They knew Montreal, N.B., at least in part because it was Gordie Drillon's home town (Drillon was the last Leaf to win the m.v. scoring championship in 1938). And they could locate Sweden, Minn., in that distant partly because that corner entry had sent goalie Walter Turkle to win the Vezina Trophy for Toronto. Similarly, later generations of Leaf fans knew Noranda, Que. (Darryl Kesel), Prince Albert, Sask. (Johnny Bower), Kitchener, Ont. (Barry Sittler)—and because times and the league changed—Kilmarnock, Scotland (Burr Skene).

The Leafs seek to win no games that they lost. Press the issue and you'll find the Gardens will Cash's control: last year the Leafs won no fewer than 11 Stanley Cups. Since 1907, by which time the club's ownership had passed to

Smythe's son, Stafford, Ballard and newspaper publisher John W. Duesett, who later sold his holdings to Smythe and Ballard, there have been no Cup celebrations in Toronto. And since Ballard acquired total control, following Stafford Bentley's death on Oct. 15, 1971, the Leafs' decline has accelerated.

Their slogan, which Conn Smythe had allowed to their dressing room wall, remains blunt: "Defeat does not rest lightly on their shoulders." But it has a hollow ring. Ballard's Leafs lost many more games than they won. Having spent more than a decade first drinking and then trampling down the standards of a fan base that now has 23 teams, the 1985 Leafs spent gross, limp with embarrassment, dead-end, in the league. And many of their once adoring fans—grows weary of an ice failure by the all-but-anonymous players and off-ice bluster by their highly visible owner—have deserted them.

Stanley Cup and helping to establish a winning tradition at the Gardens. A generation later Bentley, too, delivered for Smythe, helping the Leafs win the Cup in 1948 and again in 1949 and 1951. Bentley also became renowned in the postwar period for his pre-eminence in sports writing as "the Dippy Doodle Dandy" from Delisle.

**Rocky:** In that era, hockey players' home towns were important and frequently cited bits of trivia for the millions of Canadians who closely followed the Leafs' fortunes. Of course, millions more were equally supportive of the Montreal Canadiens. Indeed, the intense rivalry between the two 60+ teams, which



as irrelevant, unimportant, boring or mushy as usual.

Two roughly half a century the Leafs played to sell-out crowds, despite the fact that they lost an 11th regular season championship in 1963. But recently more and more seats have been empty—even though the vast majority continue to be sold, usually to corporations. Still, the Gardens has shored the crowd board that every Leaf game since the Second World War has been sold out and, during the current season, the club has occasionally bought newspaper advertisements announcing that tickets are available. *Skyline* complains that they cannot sell Leaf tickets, some seasonal ticket holders grumble that they cannot get them any way. In fact, the most difficult ticket to acquire in Toronto (this winter has not been the Leafs at the Gardens—2 was for Prince at the Gardens. The supervisors at Maple Leaf Gardens now play guitars, not hockey).

**Greenish:** Most of hockey's greatest superstars have played for teams other than Toronto. Montreal had Maurice (Rocket) Richard, Jean Beliveau and Guy Lafleur—towering figures representing three generations of excellence. The

Detroit Red Wings had the inoperable Gordie Howe. Chicago Black Hawks fans gloried in the feats of Bobby Hull. The Boston Bruins could boast of Bobby Orr and Phil Esposito. Even the New York Rangers—who have not won a Stanley Cup since 1940—employed such all-stars as Andy Bathurst and Rod Gilbert. And since the league began expanding, the greatest players have been even more widely scattered: Gilbert Perreault with Buffalo, Marcel Dionne with the Los Angeles Kings, Mike Bossy, Bryan Trottier and Denis Potvin with the New York Islanders and, of course, Wayne Gretzky with the Edmonton Oilers. Newsweek, for most of its history the Leafs and sold, effective times when they were more than their share of Stanley Cup.

**Popular:** Among the most talented and popular Leafs during the years Charlie Conacher, Bushy Jackson and Joe Primeau during the 1930s, Apps, Drillon, Bentley and Ted

Kennedy during the 1940s, Red Smith, Tod Sloan and Bob Buzen in the 1950s, Bob Peffer, George Armstrong, Kene and Rower in the 1960s. But since the Ballard era began, the team's two most popular stars—former captain Sittler, now with Detroit, and forward Lanny McDonald, now with Calgary—have been traded away for merriment the wrath of their owner. Leaf coaches have come in hope and gone in despair, draft choices have been traded or waived, television ratings have dropped, and on-ice losses have mounted. That the money roll is to Maple Leaf Gardens Ltd., which last year earned a net profit of \$1.9 million on total revenues of more than \$96 million. And Ballard has become a media superstar himself, chiefly because of his penchant for outrageous statements. Through it all, the professionals who wear the famous black-and-white Maple Leaf sweaters struggle along. And on the frozen ponds and covered rinks of the country, where the boys are, for the first time in a half-century the Maple Leaf sweater is the exception, rather than the rule. Even in Delisle, Sask., the youngsters fantasize about becoming 80-million Oilers. Older Leaf fans did it rather and ☐



Vancouver's Doug Malarud shoots over a sprawling Habs and past a moiling Dan O'Connell: fading memories of past glory

COVER

## Ballard's slapstick Leafs

By Hal Quinn

Their photographs line the hallways of Maple Leaf Gardens. Former young, the heroes of yesterday gaze down at visitors to a once-grand shrine of hockey, their Stanley Cup celebrations fixed in time. But many of today's visitors to the hunk of the Toronto Maple Leafs were not born in 1967, when the last of the team's 11 Cup celebrations took place. The men with the close-cropped hair in the overcast black-and-white photos are only heroes to older generations, their exploits fading memories.

Young hockey fans today can only imagine a National Hockey League dominated by the slayers in blue and white, or Raynald Canadians waiting each Saturday night for the familiar voice of Foster Hewitt. "Hello Canada, and hockey fans in the United States and Newfoundland!" In the past 10 years the Maple Leafs have fallen from the pinnacle of the nation's game—from the best in a six-team league to the worst in a 21-team league. The players are no longer icons for worship, but

objects of derision. And much of the blame rests on the broad shoulders of the team's 55-year-old owner, Harold Ballard, who told Molodtsov's last week: "I love the manager and I love the coach, so I make a mistake. It's not good. But I don't think I've made any mistakes." Serber, he had observed, "The unfortunate thing about it is that they can't fire me, because I sign the checks."

**Desperation:** It has not simply been malpractice that has befuddled one of the most storied franchises in professional sport. The decline of the Leafs has been steady, the mismanagement consistent. Since the last glorious season in the 1960s when the Leafs won four Stanley Cups, the Ballard-orchestrated team has traded away its stars, drafted average players when future superstars were available and traded coaches and veterans

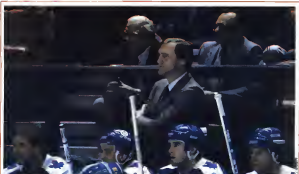
players with indifference. The 1985 version has the worst record in the NHL, despite two road victories last week—over the equally inept Vancouver Canucks and the playoff-bound Los Angeles Kings.

Still, the Leafs have little chance of making the playoffs—an ignominy reserved for past five of the league's teams. Conceding failure early this month, Ballard instructed his coach, Dan Maloney, and general manager, Gerry McNamee, to forget about trying to improve the team through trades.

Ballard: "We're in a position where we can't catch up anyway." The team's 33rd lost season was virtually over before half of the games had been played.

In desperation, coach Maloney has tried almost everything to muster his collection of unpolished youngsters and fading veterans. He benched his

Hewitt: "Hello Canada"



Ballard (far left, with Johnny Bowser), and coach Maloney: the season was over before half of the games were played

only legitimate star, captain Rick Yarny, played interminably practices, sometimes not even letting players have a peek, jugged his lineup, and presented and demoted players back and forth from the Leafs minor-league team in St. Catharines, Ont. Finally Maloney hired a "motivator" to give the team something to ponder thinking. Working weekend. Some fans took to wearing paper bags over their heads while watching yet another defeat and chanting for "Albert," the fictional hockey-playing hero in a television cartoon.

The Toronto Star responded to the plea and produced "Albert"—in real life an American college player, Bill Stewart—far a home game. But the fantasy and the laughter did not last. The on-ice reality couldn't be so joyful for Leafs fans across the country.

**Money:** Almost all of the 35,000 seats are pre-sold for every Leafs home game, about 60 per cent to corporations, yet empty seats now dot the Gardens where hundreds of fans once lined up for hours in the hope of getting into the standing-room-only arena. Most season-ticket holders are hanging on to tickets they wished were to obtain or had sold to them. Ken Stewart, a vice-president

at Sun Life Assurance Co. of Canada, has had his season tickets for seven years. "I'm waiting for the team to turn around, and I'm quite content to keep buying tickets and hoping for that day."

But others, like Gordon Shank, general manager of Lew Strauss Canada, are not content. Shank, whose company held two 1974 season tickets (\$139 cheaper than a gold seat), said: "We cancelled them after the 1983-84 season. We became disenchanted with paying so much money to go and see what was supposed to be entertainment. What last season we would usually leave after the first period." Out on Carleton Street the ticket scalpers are losing money. Around the city, channels are being overhauled and TV ratings are plummeting.

Winter Saturday nights no longer belong to the Leafs.

It was once the dream of almost every Canadian boy—at least those who did not yearn to skate in Montreal's Forum—to play in the Gardens. Indeed, Toronto's long-suffering Swedish defenseman, Boris Salming, 33, whom team-mate call "Dad," recalls thinking of a youngster that "Toronto and Montreal were merciless of bodies." Ironically, Maple Leaf Gardens, the venerable shrine that op-

erations once feared to enter, has become a fearful place for the Leafs themselves. In their first 34 home games this season, the Leafs won only five games. Maloney said that when the Maple Leafs stepped off the plane last week in Vancouver, "They were a different team. I could see it in their eyes. When you are losing, Toronto is not the city to be in." Maloney and his wife, Rosemary, used to go out for dinner after home games. They do not any more. Salming said he no longer walks the city streets, preferring not to hear the taunts.

**Unbearable:** Vince, 33, and struggling after three seasons when he scored 50 or more goals, was especially happy to get away from the Gardens last week. The Ottawa native, the youngest captain in Leafs history at 21, was relieved to escape the critical press and spectators. In late December the pressure became unbearable. After waking from a pre-game nap, Vince dressed and, unhappy about the way his sportswear looked, ripped it off along with his tie and threw them across the living room at his suburban Toronto home. "I was so angry and frustrated I just snapped," said Vince. "I started shouting at my wife Joyce. I was like a kid having a full-blown temper tantrum. Even my dog, a big German shepherd, ran away and hid behind the couch."

Added Vince: "It's a shame when you work your butt off and there's some home up in the stands booing you. We were glad to get out of Toronto. It would be better if we could play all of our

Clancy disenchanted



games as the road." Vaive's teammate John Anderson, who has been benched, shuffled to various lines and has found Ballard's public sessions that he is not earning his paycheck, says the Gardens works against the team. "Most of the players in the mix are Canadian kids," said Anderson. "They know that when they come into the Gardens they'll be on TV and that their mothers and friends will be watching. So they always want to play their best in Toronto." Ballard, who travels with his team on all their road trips with his sidekick King Clancy, has been troubled. "I've put in a lot of sleepless nights," he said. "But I don't have any solutions. I've been watching hockey for 60 years, but I can't figure this one out."

**Disag:** Others think that they have Eaglesen, executive director of the NHL Players' Association, says that the problem is Ballard himself. Eaglesen looks back to the 1979 season for the seeds of decay. Said Eaglesen: "The first step to oblivion was when they brought back Punch Imlach." Imlach had coached the Leafs to their Cup victories in the 1960s and was hired as general manager in the spring of 1976. Three-general manager Jim Gregory was never fired but simply cast aside. He read in a newspaper of Imlach's appointment. "Ballard thought Punch could do it all again," said Eaglesen. "They had five players—Derry Stittler, Lesney MacDonald, Mike Palmateer, Sidning and Ian Turnbull—who were as good as the top five on any other team. They got rid of all of them but Sidning. They took charge of the team and stopped losing every year."

According to Eaglesen, a TV program was responsible for the trade of three of the team's stars. The league and the Players' Association sanctioned a short-cut series called *Starlines*. Stittler and goalie Palmateer, who were the top two players on the Leafs, Imlach tried to block their participation. The Leafs players, particularly association representative McDonald, supported Stittler and Palmateer. Said Eaglesen: "Imlach never forgave them." In December MacDonald, one of the team's most popular players and prolific scorer, was traded to hockey's Siberia, the Colorado Rockies, now the New Jersey Devils. Ballard told McDonald's "I'm not reliving myself or any of the blame, but I don't forget myself in that trade. I should have, but I didn't. Lesney's a great guy." In 1980 Palmateer was traded to the Washington Capitals. In 1982, Stittler, team captain and the most popular player, was traded to the Philadelphia Flyers.

The Leafs reacquired Palmateer prior to the 1981-82 season. But after the season he took the Leafs to arbitration over his new salary. Leafs general manager Gerry McNamara warned Eagle-

sen, Palmateer's agent, that filing for arbitration "would not be in Mike's best interests."

Palmateer won the war and was awarded a salary of \$220,000 on U.S. funds. While he is still being paid, Palmateer, 31, has not suited up since the fall of last year. The team is following an exhibition match, Palmateer balked at practicing the day after a game. Rockies coach Maloney, fully backed by Ballard, ruled that every member of the club had to practice. Said Eaglesen: "Mike was told to go home and that the team would call if he was needed. They also made it clear that they wouldn't be calling. It's just another example of the shady way they treat their people."

Eaglesen also cited the case of George Armstrong, a former Leafs captain and player for 15 years who was "bushed out" in 1971, and Norm Ullman and Dave Koon, who were simply not offered contracts in 1979 after 22 years of service between them. In 1980 Ballard decided to re-sign Imlach while he was hospitalized with leukemia. Imlach was fired. He learned of his fate when he returned to work and discovered that the management had his parking space had been changed to read "Gerry McNamara's."

Ballard, the Leafs' department, and sometimes, stand in marked contrast to their archrivals of long ago, the Montreal Canadiens. When the *Hallmark* *Ice*—the December 1980—the team Canadiens—the Canadiens' former all-star defenseman Serge Savard was hired as general manager, said he lived former teammate Jacques Lemaire as coach.

The legendary Jean Beliveau continued as the team's vice-president of social affairs. And when Lesney MacDonald was traded last fall, the Canadiens gave him a job for life. "The team even has a special lounge in the



Reining (left), Palmateer; Note: the long-suffering Reining. Has been consistently excellent, while Palmateer has been traded back and forth, then paid not to play, Vaive has felt the pressure.

Forum open to former Canadiens only, and we have problems. Imlach should establish "They should welcome all the players back to the place," he said.

As he acknowledges, the ultimate responsibility for the players and the team's performance rests with Ballard.

He said of his hockey team that ranges up to \$200,000 on the Gardens' cash registers each Saturday night. "When they work, I feel like a jack-pot," he said. "I get all kinds of letters about the team. I'd swear you could see the tears on some of them, but no one feels worse than I do."

**Superstar** Most, if not all, of the sadness could have been prevented. Each spring the sort holds its draft of superstar players. More than a decade of mediocrity gave the Toronto team enviable opportunities, because the team draft

in reverse order of their standings the previous season. Players passed over by the Leafs now star with other teams.

In fact, the only good draft in the 1980s came in 1973 when right-winger Lesney MacDonald and defenseman Ian Turnbull arrived. The following year Toronto selected centre Jack Valiquette, now retired, over New York Islanders assistant Bryan Trottler, Boston Bruins marksmen Charles Smerd and Philadelphia Flyers Mark Howe, son of Gordie. In 1977 the team selected right-winger John Anderson and defenseman Trevor Jackson, neither of whom have lived up to their potential. At the time, Islanders Mike Bossy, now the game's most prolific scorer, went to Wayne Gretzky, and the Capitals' Sid Langway, now the game's best defenseman, were available.

**Suffering:** In the last seven drafts, four under general manager McNamara—where the players call "B.D." behind his back in reference to an auto accident from which McNamara declined to have suffered brain damage—super players passed over by the Leafs include two of the talented Smerd brothers, Ron and Duane, Buffalo's Phil Housley; Edmonton's Grant Fuhr and Kevin Lowe, Vancouver's Terry Sawchuk, New York Rangers'

Don Maloney and Ken Dugany; Chicago's Al Secord; Philadelphia's Brian Propp; and Minnesota North Stars' Tom McCarthy and Don Beaupre. Collectively, they represent a group whose Cup championship photograph would likely have already been added to the Gardens gallery.

While there is no evidence that a photographer will soon be called to take pictures of Leafs players, there are some signs that the club's future may be brighter than it appears. Among the young players who may develop and form the nucleus of a competent team 1983 draft choice Russ Courtnall, the 19-year-old centre, and defenseman Al Iafate, 24, and Gary Nybeck, 26, and the young outstanding pair of Allan Bester, 20, and Ken Wreggert, 20. Ballard concedes: "We are using guys between 18 and 20 years of age. They're

shell-shocked out there."

**Present:** Anderson, 37, thinks they will get over it. Said Anderson: "I figure I've got about three years left. That's long enough for these kids to grow, long enough for this mediocrity to turn into stardom." Still, there are those who do not believe success will come so long as

Ballard is in control.

Ballard turned down a \$40-million offer from a group fronted by singer Amy Harris. "I want \$300 million," he told *McDonald's*. "I know I won't get it, that's why I got the price of \$180 million." The Leafs' fall has taken years, but Ballard believes would not take long for the unexpected team to rise again. He said "They'd turn around in the time it would take for Ballard to take his hands off the wheel."

With Jim O'Shea in Los Angeles and Robert Block and John Wynn in Toronto.



Anderson struggling



Stittler not forgiven

# The colorful curmudgeon of the NHL

When Harold Ballard achieved control of Maple Leaf Gardens Ltd. in 1972, he was a little-known figure on the Canadian sports scene. In the 1960s he had quietly operated the business side of the Gardens while his partners, Stafford Smythe and John W. Bassett, garnered most of the publicity. But after Bassett sold out to his partners in 1970 and Ballard acquired control when Smythe died a few months later, anonymity became notorious.

Almost overnight, Ballard became one of Canada's most controversial sports figures. His critics consider him to be a hoar as well as a cocaine-fueled, as the seat of a sportsman.

But others celebrate him. He had a colorful career in sports, more than 20 years, and he was a pioneer in the way he ran his club, a pioneer in the way he ran his club, a pioneer in the way he ran his club.

**Turbulence:** The Ballard era has been the most turbulent in the history of the Maple Leaf hockey club, once a franchise that enjoyed class and proficiency. With Ballard as owner, the team has been a constant loser. Everyone from born-again Christian hockey players to Catholicism defectors has been blamed by Ballard. He denounced Jewish players like Hec Stenholm as a "foul man who could go into a corner with six eggs in his pockets and not break any of them." And he dismissed his current captain, three-time 50-goal scorer Rick Vaive, as a mediocre player. "I'm a Maple Leaf general manager," John Gregory used to say. "Expect a crisis every day at the Gardens."

Ballard, a widower whose wife died of cancer in 1968, once threatened to journalist Barbara Frum on the CBC radio news program *Afternoon Show*. As Frum asked that women should be kept in the kitchen, underwear and pregnant. He told Frum, "I give them their shoes once in a while." He regularly refers to blacks as "niggers" and to certain NHL owners as "brown-skinned hebes." Still, Ballard does have friends, and those who know him well say that he is generous, loyal and a great philanthropist. He quietly donates huge sums—up to a reported



The 1967 Leafs, the last Toronto team to win the Stanley Cup, expect a crisis every day

\$250,000—to charities each year.

Ballard, an only child, was born in Toronto in 1908. When he was a teenager he began working in his father's machine shop. As a young man he competed in speed-skating competitions, but some say he was never the Canadian champion he claimed to be later years. In 1936 Ballard's father died a millionaire, and the estate was passed on to the son, who was spending most of his spare time running amateur hockey teams. It was through amateur hockey that Ballard got one foot in the door of the Gardens, which had been built in 1903 by Conn Smythe, Stafford's father. While Conn Smythe was fighting in Europe during the Second World War, Ballard was hired to run the Toronto Marlboros, the Leafs' amateur farm team.

**Friendship:** After the war Stafford Smythe joined Ballard in the Marlboros operation and they began what was to become a lifelong friendship. When Conn Smythe retired as manager of the Leafs in 1967 Stafford headed a hockey consortium, which included Ballard and Bassett, then the publisher of the *Toronto Telegram*, to run the club. After several attempts to buy the team, Ballard's controlling share in Maple Leaf Gardens, the ownership of Stafford, Ballard and Bassett finally succeeded in 1961 when Conn Smythe agreed to sell.

The 1960s became a golden decade at

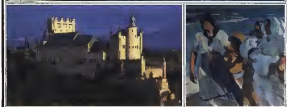
the Gardens. The Leafs won four Stanley Cups, and, with Ballard in charge, the company made unprecedented profits. But the success was tarnished by a tax scandal in 1968. Ballard and Stafford Smythe were charged with fraud and theft of Gardens funds. Not long after, Bassett attempted to acquire control of the Gardens by ousting Ballard and Smythe—but he was outvoted. When Bassett's takeover bid failed he sold his shares in Smythe and Ballard in 1970. Then, suddenly, just days before he was to go on trial in October, 1971, Stafford Smythe died of stomach cancer. In February, 1972, Ballard's control was consolidated when he purchased his friend's shares from the Smythe estate.

But Ballard still faced trial, and in August, 1972, he was convicted of 47 counts of fraud and theft. After a year at Millhaven Penitentiary, near Kingston, Ont., he was released. Ballard then led an apartment built in the Gardens, where he still lives. Although the Leafs have been losers, the Gardens earnings have continued to climb—so more than \$26 million in 1987 from \$9 million in 1972. Ballard insists that he wants a winning hockey club and to that end he carries one of the NHL's heaviest payrolls. Still, his team is a washout on the ice. But for Harold Ballard, a man who carries extremes and thrives on notoriety, being lost is clearly better than being anywhere else than first.

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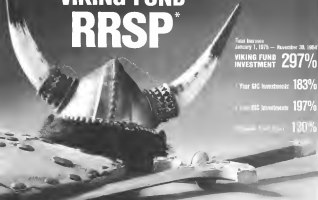
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## PEOPLE

Dutch-born actress Sylvia Kristel attracted international attention in the mid-1970s as the star of a series of three pornographic French films named *Emmanuelle 1, 2 and 3*. Then, claiming that she had become "an international lust object," Kristel moved to Hollywood in 1979 and returned to stardom in such forgettable movies as *The Nude Bomb* with Don Adams and *The Kiss of Gold* with Tony Curtis. Now, in *Emmanuelle 3*, scheduled for release in major cities across Canada in the spring, 28-year-old Kristel finally gets the opportunity to escape the European role—by putting it to 25-year-old Swedish model Mia Nygren. Midway through the latest *Emmanuelle* Kristel undergoes plastic surgery and Nygren emerges from the headlines as the new *Emmanuelle*—to avoid the chilling prospect of *Emmanuelle 4* and 5. Said Kristel: "I have hated one part to Mia" but she added, "It is my fate to be trapped in this myth of Alice-in-Sexy-Wonderland."



Kristel plastic surgery for 'an international lust object'

medicine-ventor confessed, "As long as I get the attention, I am not too worried about my credibility."

Artist Robert Rauschenberg's perspective on his 1979 use of painting in Canada is as eclectic as his reputation as a

work. Said 48-year-old Markle: "It has allowed me to meet some of the greatest women in the world and go to the best bars and be treated really well—all while being dressed as a star." Markle, who graciously does not own a suit, has now attracted the attention of Playboy Programs Inc., the TV and film arm of Hugh Hefner's Playboy Enterprises. Producer Jim MacCammon, with cameras and tape recorders in tow, has been following Markle around the panther's rural home near Holbrook, Ont., about 160 km southwest of Toronto. Markle's activities include weekly hockey games with the Mount Forest, Ont., CJO (Unemployment Insurance Commission) Flyers and working on a new series of paintings for a spring exhibit. Said Markle: "I see it is my car in Holbrook and close my eyes and be in the middle of the unshodded base of the Zanzibar Tavern in Toronto—with table dancers shaking like jelly in the corners of the room." Now all he has to do is paint them.

Two days after police arrested record-setting hurdler Edwin Moses, 29, is a survey of a prostitute area in Hollywood, he publicly apologized "for my disrespect of meeting my wife, friends, family and supporting athletes"

on Jan. 18. Moses, who has won two Olympic gold medals, set a world record of 47.65 seconds and won 109 consecutive heats and finals in the 400-m hurdle, allegedly spoke to a policewoman masquerading as a prostitute at the corner of Sunset Boulevard and Gower Avenue. Police also say they found a small amount of marijuana. Has 1985 Nevada? Despite that, they laid only one charge—soliciting an act of prostitution. Moses, named sportsman of the year in the Dec. 24-25 issue of Sports Illustrated, also holds the informal titles of Mr. Stripling, Mr. Clean and Mr. Squeaky Clean. Facing arraignment on Jan. 26, Moses confessed, "I am truly mortified."

—RICHARD M. RYAN

Owey (left), Moses: eccentricities and a little marijuana



# Drifting into a second term



Reagan in the Oval Office, preparations for the inaugural ceremonies, including vague designs for a central path to the future

By Mark McDermott

**T**he organizers had left nothing to chance. They had choreographed the reorganization of the 90th President of the United States with split-second precision, planning a four-day, \$10-million extravaganza that was grand yet—just 14 days before the presentation of federal budget cuts to the U.S. Congress—not too grand to be politically dangerous. Gone was the glitzy excess of Ronald Reagan's 1981 inauguration, with its white-tie dinners, 107 balls and \$16.5-million bill, the largest in history. To pay tribute to Reagan's record re-election victory last November, Michael Deaver, the de facto public relations wizard at the White House, leveled at a theme, "We, the people—an American celebration," a populist note that quickly swelled into a lusty chorus.

Within 12 days of an appeal for private money to fund the celebration, \$8 million in generosity poured in. And, benefiting a presidency committed to free enterprise, the most sophisticated managerial marketing network in history set up seminar businesses peddling everything from a \$4,799 position presiden-

tial lounge and a \$295 Royal Doulton tea set to a \$7.50 package of dried fruit and nuts—designated the official inaugural snack.

Then, as the weekend of quasi-sacred celebration approached, the scheduling became more frenetic. Four days before the presidential day, the inaugural committee hastily corrected its most embarrassing mistake: a trade ad saluting 200 "dead-end, all-American" performers who, being necromancers, would

work for free. After complaints from Costa performer's unions, including the Screen Actors Guild, which Reagan used to head, the show's producer, Robert Junt, was persuaded to pay the performers triple the union rate out of his own pocket.

Along the parade route, nervous onlookers considered how to shepherd 85 floats, 43 bands, 789 horses and 34 lucky dogs dragging wheeled stunts down Pennsylvania Avenue in exactly six hours and 15 minutes. And once they down-



two barely sleep previous evening card-board signs reading "The President" and "Mrs. Reagan" stood before the West Portico of the Capitol for a logistical dress rehearsal of the swarming in ceremony that had been put off for one day in favor of another populist American ritual, the Super Bowl.

But to many observers the elaborate planning for the inaugural stood in sharp contrast to the vague designs that the White House has so far evinced for Ronald Wilson Reagan's second four-year term. On the eve of his swearing-in, just 16 days before his 74th birthday, and as his closest aides left to pursue new financial or political careers, even Reagan's staunchest supporters were complaining that a lack of direction has plunged the capital into uncertainty and stalemate. Deploring the imagination's confining "We, the people" theme, conservative economist William Safire said, "A unity theme is more appropriate to a first inaugural after a squandered victory. [But] the nation is as divided as it ever likely to be. How it remains for Reagan to tell us where he'd like to go."

Reagan's two obvious priorities will be to pare the \$200-billion budget deficit and promote arms control. But his success in those areas will largely depend upon how soon he is perceived as a lame duck president. Even his confident estimate that the Republican president has only months to push his legislative program through Congress before he loses the support of

30 Republican senators who have re-elected him in 1986. Indeed, for the last two years of his first term he could not outmaneuver two Houses controlled by Democrats.

Already, the President has allowed Senate Minority Leader Robert Dole to stall the budget initiative. Dole's efforts to force support for saving \$50 billion from federal spending in the next fiscal year won the support last week of Federal Reserve Board chairman Paul Volcker and a key private sector economist, Henry Kaufman of New York's Salomon Brothers Inc. But Dole's draft budget—due to be unveiled three days before the President's—is clearly aimed at enhancing the senator's own presidential aspirations for 1986.

Because of the difficulty Reagan will have in winning congressional support

for his domestic programs, most analysts predict that he will concentrate more on foreign policy—the one area in which he will still enjoy some noncontroversiality. His personal disposition is preparations for the month's talks on reducing arms negotiations with the Soviets in Geneva has already raised optimism among many observers that his second term will succeed where his first failed—in negotiating a reduction in nuclear weapons. What remains un-



Verbrugge (left), Reagan (center), Shultz and Reagan (right)

clear is whether the President's commitment to open-ended weapons research—dubbed Star Wars—will inaugurate progress in the other areas of negotiation dealing with intermediate and strategic-range missiles. At the same time, the President will have to contend with the continuing policy split between dovish Secretary of State George Shultz and hawkish Defense Secretary Casper Weinberger. Richard Perle, the Weinberger deputy cited as the leading opponent of arms control agreements, told reporters last week that "the history of arms control has been a disappointing history. I didn't see anything in Geneva that would cause me to change my hopes for the future."

The political effect of a recent flurry of presidential official and cabinet staff

changes remains unclear. Some pundits argue that the job trade between White House Chief of Staff James Baker II and Treasury Secretary Donald Regan will inject fresh blood into a tired White House, revitalizing the presidency. But others note that the advisers who stage-managed Reagan's entire political career are now returning. James Michael Deaver, the deputy closest to the President, will leave the White House soon for a private public relations job.

Cousin Edwin Meese is expected to win Senate confirmation as attorney general, and Interior Secretary William Clark is returning to his California ranch.

The departure of the so-called California Mafia will enfeeble Canada's access to the White House. Meese and Deaver were Ambassador Allan Gottlieb's chief channels. Said Gottlieb, "I'll miss them in the White House. I know Don Regan, but not as well as those two."

At 66, an outspoken millionaire and former chairman of the New York brokerage house Merrill Lynch Co., Regan has no plans to use his new job to advance his own career. He clearly has the President's trust, but analysts fear that he lacks the deft political skills of Baker, who engineered most of Reagan's first-term congressional coups. Regan's arrival in the White House does ensure that the administration will stay firmly fixed on a centrist path—an approach he consolidated steadily as Treasury

in fact, that drift toward the center may be a lasting characteristic of Reagan's second term—as it was of the last two-term president with a moderate coalition in the 1960s, Dwight D. Eisenhower. Like Ike, Reagan has been wisely depicted as a simple man, unengaged to deal with the demands of the Oval Office. And like him, too, he has offered a detailed, chairman-of-the-board style which favors delegating authority. If Reagan can manage to avoid the recession that some economists are predicting for 1986, history may well judge him as a president who presided over another era of remarkable prosperity and opportunity with a return to traditional values. After all, it was Eisenhower who charted the course Reagan has chosen to follow when he said, "The path to America's future lies down the middle of the road." □



## A fiery rage in Jamaica

The rioting erupted without warning and spread with uncontrolled fury. While 12,000 foreign tourists walked on Jamaica's white sand beaches last week, hundreds of island residents swept into the streets to protest a steep rise in food prices. Demonstrators looted stores, threw rocks at police, erected barricades of burning tires and laid siege to Jamaica House, the white-

unpainted and unheated" and he called for an immediate price freeze. But Seaga insisted that the move was necessary to offset a devaluation of the Jamaican dollar last year by nearly 50 per cent, and he refused to moderate his strident economic policies. Said the 51-year-old Jamaica leader: "There is no possibility for the rolling back of the price until the economy produces the

experienced significant growth in agriculture, manufacturing and tourism. But many Jamaicans have still not benefited from the impressive unemployment in the country of 2.5 million in more than 25 per cent. Inflation stands at 30 per cent. In the glitzy of Kingston little has changed since 1986 when the economy stagnated and more than 500 people died in political violence.

Capitalizing on economic discontent, Manley and his People's National Party have increased pressure on the government. The row heightened the last general election in December, 1989, when Seaga implemented a national voting system that effectively disenfranchised about 100,000 young voters who had turned 18 since the 1960 poll. Now, Manley and his opposition allies are denouncing a new election, although Seaga's term does not end until 1993.

The Boston-born, Harvard-educated Seaga has vowed not to change his economic course. His open-market development strategy—guided by the Washington-based International Monetary Fund—is designed to trim government spending, encourage foreign investment and build foreign currency reserves by boosting exports. In the past year he has ended government subsidies on such basic necessities as rice, cornmeal and wheat flour, laid off 6,000 permanent employees and raised taxes. Successive devaluations have made Jamaican exports of coffee, bauxite and sugar less expensive for foreign buyers but they have hurt consumers, who must pay more for imported goods. Still, Seaga insists that the policies are necessary to restore economic well-being.

Washington, where he channelled more than \$400 million in aid to the island since 1969, is watching Jamaica's progress carefully. Under the Monday administration Jamaica had close relations with Communist Cuba to the north, but Seaga eliminated Cuban influence, turned to the United States and in part one of the strongest Caribbean allies of the Reagan administration. In addition to direct aid, Washington supplies its influence through the IMF, which has demanded economic austerity measures in return for development loans and help in handling Jamaica's \$1-billion foreign debt.

The reaction parties interpreted last week's riotous rejection of Seaga's free enterprise strategy. "It's a clear sign that these economic policies have failed," said P. J. Patterson, chairman of Manley's P.N.U., "and before the country can reach the goal of its independence." And clearly, many Jamaicans are impatient with the relatively slow pace of Seaga's economic revolution. The challenge for the prime minister will be to persuade them that it is worth waiting for.

—MANUELA GEE



Canadian troops on patrol in Kingston waiting for a truce and a new constitution

### CYPRUS

## Anatomy of a stalemate

Real Denktas called it "the land-shake of the century." Overlooking New York City in the third-floor conference room of United Nations Secretary General Javier Pérez de Cullar, the ebullient Turkish-Cypriot leader last week greeted his old adversary Spyros Kyprianou, leader of Cyprus's Greek community. After months of intricate negotiations, de Cullar had apparently signed a stunning diplomatic coup, bringing the two men together to sign a draft agreement that would finally reunite the divided Mediterranean island after a generation of open hostility and rigid segregation. But after four days of intense, closed-door sessions that dragged on into Sunday morning, it was clear that the agreement had been premature. Instead of the hoped-for signing ceremony, de Cullar emerged only with the hope of continued talks at a later date—a dense wishful birth for Cyprus and the UN mediator. Said the mediator: "It is a very, very difficult problem."

The draft agreement, which bilateral working committees were to flesh out in the months ahead, called for the creation of a federal republic, ruled by a Greek-Cypriot president and a Turkish-Cypriot vice-president and featuring separate states for each ethnic group. Under the plan, the Turkish minority (180,000), which controls 37 per cent of the 3,587-square-mile island, would gain much more than seven per cent of territory to the Greek majority (500,000). In ex-

changes for land, Kyprianou would have ceded power, giving Turkish-Cypriots three of 10 cabinet posts, their own local courts and a veto over federal issues. Elaborate mechanisms, however, would prevent the Turks from using the veto to paralyze the government.

Denktas had come to New York prepared to sign this bare-bones settlement. But as the talks dragged on, it became increasingly clear that Kyprianou had serious reservations about virtually every aspect of the 56-point accord. His central objections involved the future of some 80,000 Turkish troops who still patrol the island's Turk-Cypriot north, 16½ years after they invaded. Denktas has agreed in principle to a phased withdrawal, after the peace-keeping begins functioning. Kyprianou, the Turkish president's staunchest ally, has been so adamant that the Turkish presence in the island is an interim government is forever, although he would probably settle for a firm timetable. The Greeks have also proposed that the UN Security Council guarantee Cyprus's independence—a demand that would grant the Soviet Union, a council member with veto power, an indirect stake in the island. The Turks insist that Turkey must maintain a large military presence in the island. Despite de Cullar's efforts, the two sides were never able to bridge these key differences.

The profound Turkish-Cypriot dispute, gloriously symbolized by the so-called "Green Line" running across the island and through the capital of Nicosia, is almost as old as Cyprus itself. In 1962—three years after the island achieved independence from Britain and a vain struggle by Greek-Cypriot guerrillas for union with Greece—the dispute erupted into civil war. Under UN auspices, a ceasefire was imposed and maintained with troops from France, Canada and Britain. But a decade later, the then-military government of Greece attempted to engineer the overthrow of Archbishop Makarios, the Cypriot regent. Then, Turkey invaded—intending to protect the island's ethnic Turks. The operation forced the exodus of 200,000 Greek-Cypriots.

The impetus for de Cullar's settlement came last year, when President Ronald Reagan personally intervened. The White House has been concerned for several years about the chronic strain in Ankara's relations with Athens. The two nations, both members of NATO, have hovered on the brink of war for decades. And their support for respective allies on each side of the Cyprus Green Line has threatened to destabilize the European Strategic Arms Limitation Treaty. In November Reagan wrote to Turkish President Cem Kersin Eren, asking him to encourage Denktas to make concessions. As an incentive, Reagan offered to delay settlement talks with \$200 million in aid.

Among the many benefits of an agreement would be the near reunion of Nicosia, the Greek sector of Famagusta, on the eastern coast. Once a glittering seaside resort, the town has been sealed off since the 1974 Turkish invasion. Abandoned and deserted, Versus now presents a ghastly skyline of vacant high-rise hotels and apartment blocks, fringing miles of unbroken beach. A Cyprus settlement would also have special significance for Canada. After Great Britain, it has been the second-

largest contributor to the UN peacekeeping force based in Cyprus since 1964. The obligation has cost the Canadian taxpayer \$200 million. For the UN itself, a settlement would be much-needed evidence that it is not entirely ineffective at peacekeeping organization. But as the talks ended inconclusively on Sunday, success in Cyprus seemed as elusive as ever.

—JOHN BERMAN in New York

De Cullar settles



Kingston resident surveying riot damage: lay over the expense of austerity

weaped ecological vandalism when Prime Minister Edward Seaga has his office. Vaccinators—including many Christian scientists—lack refuge in their cars: hospitals on the north side of the Caribbean island and businesses, schools and government offices were closed. At the same time, airfare traffic soared. North American travel agents reported some winter vacation cancellations and the opening season of Jamaica's Parliament was delayed. By week's end, when riot troops returned order, few people were dead and another 30 injured.

The cause of the outbreak was a government announcement of immediate increases in prices of gasoline, bauxite and gasoline—the second in 15 months. Teacher-poor rise was far gasoline, which climbed 30 per cent to \$216 a gallon from \$138 in a radio broadcast. Former press minister Michael Manley said the increases were "unannounced,

level of foreign exchange it needs for imports."

Setting the offensive, Seaga accused the opposition of "orchestrating" the demonstrations. The plan, he told a news conference, included a scheme to blow up a bridge and a campaign in the capital, Kingston, where the worst violence occurred. "We have known for some time that the opposition was planning for some demonstrations," Seaga declared. "They were just waiting for the right time." The tiny Communist Workers' Party of Jamaica conceded that its members had helped set up and sustain a subcommittee.

The riots were the most serious challenge to Seaga's government since he defeated Manley in a 1980 election, pledging a return to economic health through free enterprise and closer ties with the United States. Under his law-enforcement-oriented policies, Jamaica has

## The Israelis call it quits

One morning last week Capt. Yosef Marmalestein stopped his jeep near the north Lebanese village of Arin. Several days earlier, members of his patrol had discovered an explosive charge in the area and defused it. But Marmalestein, 35, a reserve captain in the Israeli Defense Forces (IDF), wanted to advise his troops to take extra precautions. He never had a chance to issue the warning. Blowing out of the jeep, Marmalestein and Sgt. Meir Shinn were killed when Lebanese guerrillas detonated a powerful, radio-controlled bomb hidden beside the road. Five other soldiers were injured, including Col. Abraham Eliaz, deputy commander of the IDF in south Lebanon. Eliaz, 38, died later of his injuries—becoming the 609th Israeli to die in Lebanon since the June, 1982, invasion. A few hours after the ambush, the Israeli cabinet voted 16 to 6 to end its 30-month occupation.

Approving plans for a three-stage withdrawal that would bring the Lebanese by summer, Defense Minister Yitzhak Rabin declared, "We have learned the hard way that Israel should not become the policeman of Lebanon." Then, convoys of army trucks began the



Israelis in southern Lebanon demanding

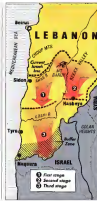
first phase of the pullback, moving equipment from the northern front along the Jewish River 30 km north to a new base—just north of the Litani River. When that operation is completed on Feb. 28, Israeli troops are expected to retreat from Lebanon's eastern sector to a line near Hasbaya, in the southern Bekaa Valley. The third and final stage would bring all Israeli forces back across the international border, although cabinet officials said last week that terrorist raids on Israeli settlements would lead to swift retribution.

The decision itself had been expected for several weeks. Prime Minister Shimon Peres and Rabin consistently argued that Jerusalem was prepared to begin unilateral withdrawal—without an agreement with Israel as new security arrangements in southern Lebanon. Still, members of Lebanese President Amin Gemayel's cabinet, meeting with visiting United Nations mediator Brian Crozier last week, said that they were surprised by the move. The warnings of the pullback, issued at UN-sponsored talks between the two nations at the Lebanese border town of Naqurah, had been interpreted by Beirut as an Israeli negotiating tactic.

Inevitably, Israel's decision worried neighbors about the future of south Lebanon. The densely populated area—an explosive mixture of Chris-

tians, Druze, Shi'ites and Palestinians, each with their own armed militias—could erupt when the Israelis leave, opening another front in the decade-old Lebanese civil war. The Lebanese Army, most observers agree, is inadequately equipped to control the situation. Already, Palestinian guerrilla squads in Israeli-occupied Sidon have been conducting weekly "boycotts" of military convoys accused of co-operating with the IDF or the Shin Bet, Israel's military intelligence agency. Acknowledging Peres last week, "There is indeed a danger of massacres in Lebanon. Massacres, hatred and treachery, to my sorrow, have existed in Lebanon for hundreds of years. It doesn't depend on us, and I doubt whether we can change it."

To avert the threat of sectarian bloodshed, Lebanese and Israeli negotiators were expected to resume talks at Naqurah this week. Jerusalem wants the United Nations Interim Force in Lebanon (UNIFIL) to expand its current 5,000-man force and police the volatile area around Sidon when Israeli troops withdraw. Beirut, however, believes that redeployment would effectively partition the south into two zones. Indeed, Urrutia told Israeli officials last week that both the Lebanese and the Syrians, who now wield political control in Lebanon, are not convinced that Israel will withdraw. And one pro-Syrian party in



Beirut charged that warnings about massacres were aimed at blackmailing Lebanon into accepting UNIFIL's redeployment.

To Urrutia, senior Israeli officials described the Lebanese view as a serious misreading of the facts. At home, Peres called his three-phase plan "the lesser of all evils." In addition to the human toll—609 deaths and 5,500 maimings—the occupation cost an estimated \$1 billion a day, a staggering drain on the strained Israeli economy.

As well, the parish which many Lebanese had welcomed in 1982 as liberators had become targets of increasingly hostile Shi'ite Muslims. The army's stationary deployment, Israeli military commanders argued, made it vulnerable to ambushes; by moving back it would become more mobile, reacting to raids with lightning tactics. Still, the new line north of the Litani runs through the heart of Shi'ite territory and is even more exposed than the current front. It will also leave Israel's northern settlements within range of Katyusha rockets and artillery fire. But now Israelis are clearly anxious to end their foray withdrawal. In an editorial last week the Israeli newspaper *Yediot Aharnot* seemed to capture the mood of the nation: "We are tired. We've been worn out. The dust in we wanted to end it. And at any price." —DANIEL ROSENBERG in Jerusalem

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## A dizzying dip for sterling

Britain's faltering pound sterling and the soaring U.S. dollar were almost at par last week—and the British seemed feverish. Prime Minister Margaret Thatcher's Conservative government already reversed its policy of allowing free market forces to determine sterling's value, re-imposed the Treasury's maximum lending rate (9.8%) in an attempt to head off what once would have been unthinkable parity between the two currencies. The pound, which reached its nadir of \$0.92 (U.S.) during the American Civil War and which traded at \$0.40 as recently as 1980, last week sank to \$1.30 on Asian money markets. Indeed, many New York hotels were only accepting it at par. By week's end, the pound had steadied at \$1.18, but analysts predicted—and speculators gambled—that it would resume its fall, besetting American tourists and British exporters but troubling most of all Britons. Said Thatcher: "I do not like it being down at this rate."

The difficult, if not impossible, task of halting the pound's slide fell to Chancellor of the Exchequer Nigel Lawson, a former journalist who has been a leading supporter of Thatcher's free enterprise philosophy. Lawson's first defensive manoeuvre—re-imposing the 9.8%—forced British interest rates up by an average 2.5 percentage points, theoretically making Britain more attractive to foreign investors who have been flocking to U.S.-dollar investments. That, Lawson flew to Washington where he and the finance ministers of France, West Germany and Japan discussed currency rates with Donald Regan, U.S. treasury secretary. Regan apparently gave no firm commitments about reducing the \$280-billion U.S. deficit—often cited as the primary reason for the dollar's strength—and the five officials merely restated the desirability of orderly money markets.

Aside from the U.S. deficit, British analysts blamed uncertainty over oil prices and Britain's weak industrial sector for the pound's collapse. Thatcher sought to distance herself from the problem, pointedly staying away from London when Lawson's oil-line crisis hit. Opposition Labour Party leader Neil Kinnock denounced the government as inept. But even more painful for the Tories, former Conservative prime minister Edward Heath called the government "fatally stagnant"—indicating that for Thatcher, the loss of power of parity carried serious political risks.

—CLARA KLOOSMAN in London.



Sepúlveda (left) with Clark in Mexico City; grim Benvidmont over a slapping

### MEXICO

## Death among the ruins

Like the most-blooded newsmen that loom over the 6th-century Mayan ruins in southeastern Mexico, the killing of Canadian Roger Bolduc is wrapped in mystery. A native of St. Catharines, Ont., Bolduc, 25, was travelling last spring near the Mexican town of Palenque, close to the site of ancient Mayan temples on the edge of the tropical jungle. The region is a popular tourist attraction, but for Bolduc and a Canadian companion the vacation turned into a nightmare.

While the circumstances of Bolduc's death remain unclear, Mexico's has learned that the two young Canadians were seized by the Mexican army near Palenque and arrested on charges of possession of marijuana. Shortly after, Bolduc died in Mexican custody, shot—according to Mexican officials—when he attacked a security officer. His companion escaped, but was later rearrested on separate drug-related charges. Now imprisoned in a Mexican City jail, his trial is still pending.

The Canadian Embassy in Mexico City has pressed authorities for details of Bolduc's death. Officials have sent two formal diplomatic notes and there has been an informal exchange of correspondence. Not satisfied with the Mexican replies, Ottawa last week decided to pursue the case at a higher level during External Affairs Minister Joe Clark's two-day visit to Mexico City. Although the Clark mission was devoted chiefly to talks about Central American and bilateral trade, Clark had been briefed on the Bolduc affair during preparations for

his trip and had intended to raise it with Bernardo Sepúlveda, Mexico's foreign minister. In the end, other senior Canadian officials discussed the case with their Mexican counterparts.

The reason for Ottawa's concern is clear: in addition to Mexico's long delay in responding to Canadian inquiries, the jailed Canadian—still unidentified—has told Embassy officials that the shrewdly Mexican version of events differs from his own spontaneous observations. But he has refused to discuss the affair publicly, fearing that it might jeopardize his own case. External affairs officials speculate that he is specifically concerned with preserving his right to serve his sentence in a prison—in Canada, an option available to him under a Canada-Mexico judicial agreement.

Last week Clark's aides asked Mexico for full details of exactly what transpired at Palenque, as well as copies of an autopsy report and an official inquiry that the Mexican army conducted into the affair last year.

For Bolduc's family, a clarification would mean months of grim bewilderment. The dead man's body was shipped back to Canada for funeral services last May, but since then Paul-Berle and Marguerite Bolduc and their 10 surviving children have been waiting for an explanation. "Nobody knows what happened," Bolduc's sister Sylvie, told Maclean's. "We don't know anything."

—JAMES MITCHELL with Ronald Macdonald in Mexico City, Michael Chapman and Willy MacKenzie in Ottawa.

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## NEW CALLEDONIA

### Calming a violent colony

For weeks France had watched helplessly as its Pacific territory of New Caledonia slid precipitously toward civil war. Despite the efforts of a mediator sent from Paris, the government was unable to prevent violence between the indigenous Kanaks, who are struggling for independence, and French settlers, who fiercely oppose it. Then, during a television appearance last week, an interviewer asked French President François Mitterrand if he planned to visit the troubled archipelago, where 30 people have been killed in the past two months. To the surprise of an entire nation, the president said, "Yes, Madam, I shall go to New Caledonia." "When?" his interviewer asked. "Tomorrow," he replied.

Mitterrand left the next day on a 12,000-mile, 24-hour flight. Arriving Saturday morning in the capital, Nouméa, 750 miles east of Australia, he was greeted by 50,000 French settlers, or Caldoches, who donned the garb of the tricolor flag of France. The main purpose of Mitterrand's visit was to lend support to a controversial autonomy plan worked out by his envoy, Edgard Pisani. The plan calls for a referendum

in July. If approved, independence would follow six months later—but the island would maintain a close association with France initially, both functions expressed interest in Pisani's formula. It would yield sovereignty to the minority Melanesian Kanaks while allowing European, Polynesian and Asian immigrants, who make up 97 per cent of the 145,000 population, to retain French nationality.

But on Jan. 11 a 17-year-old French farm boy was murdered, apparently by Kanak gunmen. One day later, seizing another French farmer under attack, gunmen killed Rie Nachter, leader of a militant faction of the Kanak Socialist National Front (FKSN), which had already proclaimed a provisional government. Riots followed and authorities imposed a state of emergency. The compromise proposal was quickly swept aside, as

settlers and Kanak allies voiced opposition—and Mitterrand's 12-hour visit was aimed at getting talks going again. In France, Mitterrand's visit was viewed as a daring attempt to reverse his popularity, which has reached a historic low point halfway through his seven-year term. The Socialist leader has been attacked by conservative critics for losing control of the office, a foreign policy mistake would impinge his image.

Per New Caledonia itself, Mitterrand's visit might be the last chance to avert the independence issue without more violence. The island is already beginning to resemble Northern Ireland, divided into two heavily armed and hostile camps. After meeting leaders of pro and anti-independence parties, Mitterrand issued a statement, saying:

"The dialogue continues, but no improvisation is permitted. The plan is fixed and is 'certain.' But for some, the absence of compromise appears already closed. 'The visit changes nothing,' said an FKSN spokesman. 'We will not end our fight for sovereignty.' —Markus Goss



Mitterrand during a gambit.

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## A soldier's sale



Vessey, commander

The trip began as a low-key, "soldier to soldier" affair, but it ended in controversy. Gen. John Vessey, the first chairman of the U.S. joint chiefs of staff to visit China since 1949, held talks with Peking's military leaders last week, presented his hosts with a jug of Minnesota corn whiskey and reported to the Pentagon via radio-telephone from the Great Wall. But the com underfire was joined by sensational reports that the Chinese may have agreed to buy sophisticated U.S. anti-aircraft equipment—the biggest deal since Washington agreed in 1983 to sell arms to Peking. The disclosure alarmed the nationalist Chinese in Taiwan, who have long feared and resented Peking. With an eye to a mutual adversary, the Soviet Union, the general insisted that growing Sino-American military ties "threaten no third party."

## The Red Cross at bay

Around the world, the International Committee of the Red Cross (ICRC) has won respect for its efforts as behalf of prisoners of war, regardless of nationality or ideology. But in the bloody arena of the four-year-old Iran-Iraq war, Tehran has blocked the ICRC's attempts to carry out traditional inspections of POW camps. Tehran has accused Red Cross officials of spying on behalf of Baghdad. The Red Cross has responded by issuing a rare public appeal to governments, seeking support for the 123-year-old body's efforts to conduct inspections. Behind the opposition is concern a belief that the Iranian government is systematically slaughtering Iraqi prisoners. Said ICRC president Alexander Hay: "At stake is the physical and moral survival of thousands of men." But Iraq also sees another tragic root to Iran's repudiation of the agency's firm-based in international respect for the Geneva conventions related to treatment of war prisoners and human rights. A United Nations mission is visiting Iran this week. Red observers insist that the Red Cross campaign on only caused if the world's industrialized nations are willing to jeopardize trade with Iran by interfering in the dispute. Said one frustrated Red Cross official: "It is a mission is not forced upon one of the last limits to barbarism as war will then become verticles."

## Hunger on the Niger

Desertification—the relentless invasion of fertile country by desert sands—is one of the major causes of the famine now gripping much of Africa. Drought, overgrazing, improper use of soil and forest destruction have skewed the Sahara to overuse cultivated areas, drastically cutting food production. Last week, on a tour of the drought-stricken West African nations of Mauritania, Mali and Niger, a 13-member Canadian fact-finding commission got a firsthand look at the situation. Visiting an oasis 500 km outside Niamey, the Nigerien capital, Nigel Martin—director of the Canadian Council for International Co-operation—stood atop a 16-ft-tall palm tree. But the tree was invisible if it had been buried under shifting sands. For mission organizer David

MacDonald, Ottawa's co-ordinator for emergency African relief, the trip was a symbolic reminder that Africa's food shortage is only a symptom of much deeper environmental maladies that money alone—Canada has committed more than \$8 million in relief aid to West Africa—is unlikely to solve. His week-long tour included talks with government and relief agency officials, as well as inspections of the worst drought areas. A report based on his findings, he says, may encourage a public debate in Canada about finding long-term solutions to the problem. Drought action is taken now, MacDonald declared, the continent faces "an unprecedented disaster."

## A continental crusade

When six world leaders gather in New Delhi next week to discuss how to encourage the superpowers to enter arms control agreements, they will not regret the absence of Pierre Trudeau from their ranks. An organizer of the Five Continents Peace Initiative declined last week, they visited Trudeau in Ottawa in September, 1983, to ask him to join the leaders of India, Sweden, Greece, Mexico and Tanzania at a summit aimed at stopping the nuclear arms race. According to New York Congressman Thomas Downey, a delegation member, Trudeau refused their proposal. Then he launched his own peace crusade. "People are far trusting Mr. Trudeau's peace initiative sincerely and enthusiastically," said Downey. "The coincidence, you mouth and a half later, he went out and did it on his own." Other organizers said Canada, as a NATO member, would have had difficulty endorsing the group's call for a nuclear freeze. But Downey, vice-president of Parliamentarians for World Order, sponsors of the initiative, charged that Trudeau "would have had the cover of other world leaders. He felt that as an invader previously because he tried to do it alone." Downey added that he hopes that the non-coalition effort may have more success. Argentine President Raul Alfonsín, he noted, had joined the group just before the summit was announced. At least, in Washington the delegations of Latin nations should get a hearing. "It's the strongest," said Downey. "When you owe the United States so much money, you have to be listened to."

## Missing in Moscow



Canadian ambassador

The announcement was terse and typically elliptical. In one sentence, the Soviet news agency TASS reported last week that a scheduled summit of Warsaw Pact leaders in Bulgaria had been postponed "by mutual consent." No reason was given, but speculation immediately focused on the health of ailing President Ryszard Gierek. The 75-year-old Soviet leader has emphysema, and Western analysts say that his doctors

have advised him to avoid travel. Postponement of the meeting revived concerns about the stability of leadership in Moscow. Gierek was last seen in public on Dec. 29, three days after missing the funeral of defense minister Dmitri Ustinov. Attempting to avert the rumors, Soviet newspapers published some of Gierek's recent writings—like some tactics used during the final days of his presidency, Yuri Andropov.

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The narrow canal district—high-pressure tactics, leveraged companies and strong Canadian ties.

## BUSINESS/ECONOMY

# A crackdown in Amsterdam

By Michael Sauter  
and Peter Lewis

Until only a few years ago the buildings along the Herengracht, a stately canal in central Amsterdam, formed what local residents called *Banker's Row*. The skilled, 17th-century structures housed the offices of such solid New York-based financial concerns as Chase Manhattan Bank N.A. But in recent years dozens of unregulated securities dealers and salesmen—many of them from Canada—have set up offices in the district, taking advantage of Holland's liberal financial laws. They are selling stocks of uncertain value to European investors using high-pressure tactics which—while legal in Holland—have increasingly angered Dutch regulatory officials.

Pressure has been building for months in the Dutch government to stop the sales. Dutch officials have requested repeated warnings from police and securities authorities in Canada and the United States that convinced North American stock promoters and salesmen were operating in Amsterdam. At the same time, there has been a rising chorus of complaints from disillusioned investors who had paid thou-

sands of dollars for stock, which over-enthusiastic salesmen predicted would rise dramatically in price. And some heavily promoted stocks did go up—only to suffer rapid declines. Then, last month, the ruling Christian Democratic government, which was initially unwilling to risk damaging the country's reputation as a bastion of free enterprise, finally acted.

The Christian Democrats announced plans to introduce legislation later this year to close down operators who use high-pressure sales strategies and exaggerate the value and future prospects of shares. Later, a Rotterdam police swooped down on many of the struggling houses, rounded up at least 30 dealers who lacked work visas and expelled them from Holland. According to police, three were Canadians in its own investigation of the network, involving a series of interviews in Amsterdam, Belgium, and Toronto over three weeks. *Maclaren's* has joined together additional evidence on the sales practices of two unregulated securities dealers in the Amsterdam market, both have strong Canadian connections.

One of the connections exists through a firm whose sales practices have been criticized in the Dutch press recently. It is *First Commerce Securities* nv, Amsterdam's largest unregulated securi-

ties dealer. *First Commerce* officials counter that the firm was left accused by the police and add that they welcome government plans to tighten rules on the sale of securities. But critics say that the firm, has employed high-pressure tactics to promote stocks, including those of *DeVoe-Holbein International* sv, a microbiology firm based in the Netherlands Antilles and controlled by two Canadian scientists. *Maclaren's* has learned that *First Commerce* has had links with convicted Montreal stock promoter Irving Kott, who introduced *First Commerce* to *DeVoe-Holbein's* stock—the shares it has been promoting most aggressively.

Kott became prominent in the Montreal financial community in the early 1970s by promoting several stock issues. But in 1978 an Ontario provincial court convicted him on a charge of conspiracy to commit fraud in connection with his promotion of the Quebec-based *Ronald Mins Ltd.* and paid him \$500,000.

He met the founders of *DeVoe-Holbein* internationally: Dr. Irving DeVoe, 47, and Dr. Hennie Holbein, 33, former microbiology professors at Montreal's *McGill University*—when the two men were looking for financing for their new company. The *DeVoe-Holbein* group of

companies was formed in 1982 to develop and sell a potentially lucrative vaccination process to remove metals from liquid wastes, a process that produces waste products at *McGill*. Contacted by *Maclaren's* in The Hague, DeVoe confirmed that "Kott was instrumental in putting together the financial package that set up the company." Added DeVoe: "There is no connection between him and my company." There is also no evidence to suggest that DeVoe or Holbein are in any way responsible for the way in which their stock is promoted.

*First Kott* raised \$1.5 million for *DeVoe-Holbein* by selling 32 million shares worth 50 cents each to a Hamilton, Bermuda-based company that company then sold back about 300,000 of its 50-cent shares for \$5 each to friends and relatives of the two professors. Then, in early 1983, *First Commerce* was formed in Amsterdam and it began promoting *DeVoe-Holbein* stock. *First Commerce's* general manager, Walter Boon, told *Maclaren's* in a telephone interview that "Kott introduced *DeVoe-Holbein* to us, underwriting it for us and that was the basis of our collaboration." Declared Boon: "Any connection [Kott] had with *First Commerce* had to do with *DeVoe-Holbein* and that connection is defunct now." Boon added that he had just seen Kott in November. But several days later, when *Maclaren's* visited Boon at *First Commerce's* Amsterdam office, he claimed he had never met Kott. Despite several requests, Kott was untruthful for the interviews. However, in a letter from his lawyers, Kott threatened legal action against *Maclaren's* if it published "libelous" allegations against him.

Exactly how much *DeVoe-Holbein* stock *First Commerce* has obtained is also not certain. DeVoe said that he and Holbein own close to 50 per cent of the \$1 million outstanding shares, but because the rest of the stock is in bearer form—the owner's identity is not recorded by the issuing company—he does not know who the other shareholders are.

Immediately after its formation *First Commerce* began advertising in the Amsterdam-based *Alert* Tribune and the *Wall Street Journal* Europe. The so-called readers to read for a free copy of *First Commerce's* newsletter, called *Investor's Alert*. The newsletter featured economic news and stock recommendations, and frequently recommended *DeVoe-Holbein* as a priority buy along with the computer and laser technology *Business Machines* and Wang Laboratories.

By July, 1983, a telephone sales campaign was under way, and *DeVoe-Holbein* began trading on the regulated Amsterdam stock exchange. The market—in which stocks are sold pri-

marily rather than on a stock exchange—at about \$4 a share in a June 14, 1983, special bulletin issue of *Investor's Alert* the newsletter predicted that *DeVoe-Holbein* shares could trade in the \$10-to-\$15 range before the end of 1984 and "much higher by early 1985." That did not happen. This month, when asked to quote a price for *DeVoe-Holbein*, which is marketed only by *First Commerce*, Boon quoted \$0.75 per share.

The selling methods used by *First Commerce* have caused serious concern both inside and outside Holland. Boon



Boon, general manager, says shareholders

Faith, secretary of the Amsterdam Stock Exchange, for one, said that investors had complained to the exchange about dealings with *First Commerce* as well as with other unregulated dealers.

According to Faith, the complaints involved alleged difficulties in selling shares. As well, last summer *Parsons, Haldrup & Purson*, a merchant bank owned by the Amsterdam-Rotterdam Bank, which has been selling *DeVoe-Holbein* stock privately, stopped doing so. According to a director of the bank, who requested anonymity, the bank made the decision mainly because it objected to the sales practices of *First Commerce*. Added the director: "The very aggressive way in which investors

were approached certainly had an influence on the price of the shares, which have no relationship to developments within the company [*DeVoe-Holbein*]."

Personal experts in securities in Belgium say that they too are concerned about the transactions. The Age 4,1394, issue of the *Moeder Bode*, the official government gazette, forbids bankers and investment consultants to sell securities "with *First Commerce's* sale of *DeVoe-Holbein* shares." Explained Jacques Vermeulen, director of the Belgian Banking Commission: "*First Commerce* was selling securities by making circulars, telephoning residents and offering to go to their homes, without the permission of the ministry of finance."

Still, *First Commerce* freely defends its sales methods. In a widely circulated booklet introducing its activities, *First Commerce* promised that its salesmen contact people only after they have received five issues of *Investor's Alert*. Bert Arie Gerin, chairman of Holland's association for the protection of shareholders, claimed that the process operates quite differently. "They are on to you before you know what has happened," he declared.

The company readily acknowledges that it relies on Canadian expertise in selling its shares. The firm's literature stated that it uses Canadian sales "consultants" to help invest its European investors. Boon said *First Commerce* currently employs five Canadians. He added that *DeVoe-Holbein* shares are secure and that *First Commerce* has between \$5 million and \$16 million at any given time to buy shares back from investors who are anxious to sell their holdings in *DeVoe-Holbein* or City Clock International sv, another Netherlands Antilles company whose stock the firm promotes. Boon estimated that about 100,000 shares of *DeVoe-Holbein* shares had been purchased by roughly 5,000 clients around the world.

For its part, *DeVoe* says that because its company is now "launching into its commercial phase," the bid publicly surrounding *First Commerce* is "distorting the company tremendously." DeVoe added that the company recently obtained a \$4-million loan backed by a debenture held by *First Commerce*.

Another firm with Canadian connections which is implicated in the Dutch controversy is Amsterdam-based *Practical Investments Advisory Services*, run by Alex Hanes, formerly of Toronto. Some told *Maclaren's* that he was not one of the founders of *Practical* but he would not say who was. In early 1983, *Practical* began recommending shares in *Global International Corp.*, a Utah, Nev., company with its head office in Toronto and which trades on New York City's over-the-counter market. The May, 1984, issue of *Practical's* International Special Sit-





North West Trust: back on sound financial footing after an illness of debt

## Trouble at Western trusts

By Sandy Fife

I was a dramatic confirmation of the real estate price collapse in Western Canada. Initially, provincial Conservative Affairs Minister Connie Ennsman denied press reports that some Alberta-based trust companies were in serious financial difficulty because their real estate investments had declined in value dramatically. Then, last week the Alberta Treasury Branches, a provincially owned banking institution, announced that it had provided \$55 million in loan guarantees which will help keep up money-losing North West Trust, an Edmonton-based firm with major real estate investments. And in a separate development, the Saskatchewan government has announced that it will provide an aid package worth up to \$50 million to Pioneer Trust Co. of Regina. Reginald Edsall Chapman, a financial analyst with Wood Gundy in Toronto, "Real estate values have plummeted and people are walking away from their [mortgage] obligations."

The falling fortunes of both companies resulted from their extensive activity in the mortgage market. In Alberta property values have declined steadily for the past three years—and mortgage foreclosures have increased. In 1984 there were a record \$323 foreclosures, compared with 985 in 1980 when a real estate boom peaked. In Calgary alone the average price of houses has fallen to \$70,000 from \$110,000 since June, 1982. Similarly, the real estate markets in Saskatchewan and British Columbia have remained depressed. According to Barry

Bennell, an analyst with Merrill Lynch Canada Inc., "R.C. has not come out of the recession yet, and Saskatchewan is still a weak market."

North West Trust, a 38-year-old firm with branches in Alberta, Saskatchewan and British Columbia, had reached a critical impasse when the government stepped in. Federal regulations stipulate that trust companies can accept equity deposits worth up to 20 cents of their capital base—made up mainly of shareholders' equity. According to Albert Ray, senior assistant superintendent of Alberta Treasury Branches, by the end of 1984 North West's ratio of deposits to capital base had reached the federal limit, and the trust company would have been unable to accept further deposits without an infusion of funds.

As part of the rescue plan Alberta Treasury Branches has provided loan guarantees to back two issues of preferred shares, worth a total of \$55 million, that have already been sold privately. The proceeds from the sale will flow to North West's parent company, North West Financial Corp. In turn, that company will invest \$25 million of the funds in North West Trust to replenish its capital base. North West Financial will keep the remaining cash for other investments.

North West lost \$1 million in the first nine months of 1984, but with the new program in place chairman Irving S. Lipson believes that the company "is absolutely not in financial difficulty." For its part, Alberta Treasury Branches now has a stake in the trust company's future. If North West runs into serious financial problems, the provincially owned company might have to buy back the preferred shares.

At the same time, the Saskatchewan government is arranging a similar guarantee for troubled Pioneer Trust, owned by Reginald-based Canadian Pioneer Management Ltd. (CPI). But its situation appears to be political as well as financial crisis, a 10-year-old firm with interests in insurance, real estate development and the trust business, had become a symbol of Conservative Premier Grant Devine's vision for a locally based company can achieve major success in Saskatchewan through aggressive marketing. What is more, CPI's president, Wilmer Klein, an prominent Conservative and president of the Saskatchewan Chamber of Commerce. As a result, the failure of Pioneer Trust, which reported a loss of \$17 million for the first nine months of 1984, would have embarrassed the government. But recently Albert Berting, CPI's vice-president of finance, announced that the government had reached an agreement in principle to guarantee an upcoming issue of preferred shares to raise between \$25 and \$30 million.

The financial situation at the two Western companies raised concerns about other trust firms that may be having similar problems. Ray Peirce, director of trust companies for the Alberta government, said that the real estate slump has affected all 22 trust companies operating in the province, but he declined to be specific. Said Peirce: "Most can withstand the pressure. It is a difficult time to comment on—any comment is likely to become a self-fulfilling prophecy."

In Saskatchewan trust regulators were equally tight-lipped. But analyst Chapman was more forthcoming. While the acute problems of the trust firms had not become widespread in the industry, Chapman warned that could change. "There is a good possibility that some trust firms will find themselves in the same situation."

With Graham Stewart in Calgary and Dale Slater in Regina

Chapman, details



## A crucial plan for universities

By Peter C. Newman

C ought between escalating costs and decreasing enrolment creates a difficult for all citizens who want their benefits, most publicly financed institutions across the country—hospitals, universities, social agencies of all kinds—are on the brink of fiscal collapse. That is why last week's report by the Commission on the Future Development of the Universities of Ontario is such a crucial document.

A year in the making, the commission recommends that the province's universities be allowed to reduce enrolment by an average of six per cent and raise tuition fees by 30 to 45 per cent over five years, but it also advocates that the institutions of higher learning receive enough extra funds to expand their facilities with 500 new professors, and that students have access to a national, income-based contingency loan repayment plan to fully cover tuition fees. The commission finally rejects previous suggestions that some of Ontario's 17 financially strapped universities should close their doors and comes out boldly for academic freedom, so that no college would have to eliminate departments, just out costs.

Edmond Bevy, the commission's chairman, is a Regina trustee who distinguishes a market approach with the provincial treasury there, and has already been contacted by several other provinces for advice.

The main reason for all this fuss in the first place, and his fellow commissioners say, but the first time worked out the details for placing more of higher education in Canada on a user-based basis. "It's an idea that has to come," Bevy told me as the report was issued. "Certainly in the United States, it's already been that way; people of higher ability are not deprived of university education just because fees are more commensurate with costs."

No Canadian politician has actually declared university attendance a universal right, but they all seem to agree that so one should be denied a higher education, which amounts to the same thing. "We tried to get around that by recommending a 'pay as you earn' plan, which would allow people to pay back their tuition loans only when they had found a way to earn money," says Bevy. "If, for example, after graduating from theology you become a missionary in Upper Volta, you could stop paying."

One of the most aggressive of the 140

briefs heard by the commission came from the Ontario Federation of Labour, which represents most of the province's 800,000 organized workers. It made the point that most members had not and would not attend university, and that while they might be philosophically opposed to higher fees they were much more opposed to paying higher taxes for something from which they would not directly benefit. "You don't resolve any problem just by throwing money at it," Bevy insists. "What we've tried to do is



Bevy: moving to a user-pay system

present a practical and moderate strategy that would help improve the quality of higher education and yet not be an extravagant, left-of approach."

Bevy is an interesting personal example of what a determined business executive can accomplish if he is not afraid to challenge the status quo. He started out by selling managers for Barnes and then scuttled from job to job in the food industry. His career shifted into top gear when he joined Northern

and Central Gas in 1960 and marched the company from a sleepy gas utility with assets of \$17 million to a high-flying energy company with a \$1-billion balance sheet.

His most interesting funding drive at the moment is to raise \$400,000 to replace Nick's Rockfalls, the last surviving Canadian survivor of its original condition. The drive has received a lot of help "in kind," with DeLano contributing steel and Fraser wood for the decking, but the balance of the funds now has to come from small individual contributions. "Some of the letters that come in with \$50 cheques bring tears to your eyes," he says. "People tell us their memories and write, 'Thank God you fellows are not allowing this bit of Canadian heritage to disappear.'"

Unlike most Toronto-based Kristianheim men who think it's during the week to teach at either the Toronto Club or Whistler's, Bevy's commission must get him out into the real world, and he was heartened by what he found. "We come away from this with a very optimistic feeling," he says. "Contrary to general business opinion, as we went around from campus to campus, I became terribly impressed with what they were doing and how they were trying to cope with financial restraints. When we were at the ground what a university like Brock means to the Niagara area, or Trent to Peterborough, or Laurier to Sudbury, we had no thought of closing any of these down. They use a private sector approach in cost control and are just as businesslike as they are at Trent, or the University of Western Ontario or the University of Waterloo."

The notion that education might as day be privatized has crossed Bevy's mind, but he believes it is a last resort. "What should really be considered down the road?" As chairman of Wellesley Hospital, Bevy recently constructed not all dentistry and homecare functions to a company operating out of Chicago. "It has saved us money and they're doing a better job," he reports.

Bevy's real problem is that there is life after the glory of the corporate ladder. His main problem is that his friends keep trying to avoid him. "I've asked them for money so many times for so many reasons," he says, "but they don't see when they're not in it."

But Bevy's sun has not set in business money but in more commitments in a spirited debate on costs and values essential to preserving the quality of Canadian society.





Ford outside his chateau near Vicky, France: a love of what the human imagination has made beautiful

## BOOKS

# The poet who bridges East and West

By Mark Ahley

A 15th-century French chateau, complete with turrets and a moat, seems an unlikely home for a Canadian diplomat. But R.A.D. (Robert) Ford is no ordinary public servant. He is also a distinguished poet who speaks nine languages and who has translated poetry from four of them. A member of the brilliant generation of statesmen-scholars who graced Ottawa's external affairs department after the Second World War, Ford served for 16 years as ambassador to the Soviet Union, a term appreciated in Canadian diplomacy. Walter J. Strossel, a former U.S. deputy secretary of state, has described him as the best foreign diplomat he has ever met. In retirement in a rural France since 1980, Ford no longer writes the politician, elegant dispatches that were the envy of his peers. But this month, as the diplomat-poet celebrates his 75th birthday, two recent books confirm his poetic mastery and humane wisdom.

Monstrous atrophy has afflicted Ford for nearly half a century and now confines him to a wheelchair. A widower, he relies on three full-time staff members to assist him in his daily routine, which includes several hours of writing. His most recent volume of original poetry, *Nocturne in the Eye*, New and Selected

Poems, attests to the undiminished creative vitality of his mind. And in Ford's latest book, *Russian Poetry, A Personal Anthology*, which contains his translations of 16 poets, his understanding of the Russian character is apparent on almost every page.

A tall, courteous man with dark, penetrating eyes, Ford sits as an impressive figure in his living room. A Turkish prayer rug and gold-head Russian icon appear below the man's cosmopolitan character and his love of what history and the human imagination have made beautiful. His own poems have a hushed texture and a diabolical mastery of form that suggest a European sensibility. Alert to the annals of history, his works seem alive in spirit to the North American indifference of art as now feeling. He has never adhered to the fashionable repudiation of Canadian poets; the settings of many lyrics range from Bogota to Russia.

Although his first book, *A Window on the North* (1985), was a Governor General's Award, Ford's voraciousness has rendered his poetry unfamiliar to most Canadians. But since Mosiac Press published *Nocturne in the Eye* two years ago, the public has had a fresh opportunity to assess his cool, moody poetry. Beneath the restraint of time, landscape and love, Ford's sense of politics forms a dark undercurrent. The poem "Ballad

*Sleeplessness of Our Time* (1978) makes an inner anguish manifest: "Maybe there is a pill to take/Against this century/But I think our conscience is too bad/For any remedy."

Ford spent his childhood in London, Ont., far from the tense tensions of international politics. He joined the diplomatic corps in 1948 and rose quickly, serving in Canada's delegation to the first UN General Assembly. There he met his future wife, Theresa Gomez, a young Brazilian diplomat. Ford spent two years of duty in Moscow and represented Canada at Ford's funeral before he joined his first ambassadorship, in Colombia. He also headed Canadian embassies in Egypt and Yugoslavia, returning to Moscow in 1964 as ambassador.

To many people, the realities of diplomacy and poetry seem light years apart. Ford told *Maclean's* "It was always difficult to reconcile writing poetry with writing telegrams." Yet both his vocations demanded a brave intelligence and a mastery of language. His poems about refugees in South America and labor camp prisoners in the Soviet Union allowed him to vent emotions that he had to suppress in official duties. But Ford and poetry served him well in public life. "It was one of the reasons I was able to take living in the Soviet Union for so long." Partly as a result of his love of the

Russian language and literature, Soviet officials tolerated his sheer distance for their government. As a mark of their respect, they even allowed him to use elevators inside the Kremlin, a privilege usually reserved for members of the Politburo, and permitted his work to appear in *Literary International*.

His friends agree that Ford's poetry expresses a side of his complex temperament that his artistic charm and political skills often mask. Former diplomat Charles Strickland observed, "I find much of his poetry somber, and he is not a somber person. But what one says in poetry is not what one tends to say to one's pals." Poet Ralph Gustafson added, "As a man Ford is full of affirmations. It is only because he is in love with life that he became absolutely disillusioned with so many governments."

Still, Ford says that he occasionally misses the Russian people. Their love of poetry, common to taxi drivers and commissars alike, delighted him, and poetry provided Ford with a magic key to a closed society at all levels. When Ford approached Foreign Minister Andrei Gromyko at the time of the American hostage-taking in Iran, "I pointed out that he should be sympathetic—after all, in the 19th century a mob in Tehran had killed the Russian ambassador, a poet called Gorky." Gromyko dryly requested that Ford not give him lessons in Russian history.

Ford's years in Moscow convinced him that "we not only have to work with the Russians," he insists, "we can work with them." He openly criticizes the approach taken by U.S. President Ronald Reagan, "who has made some extraordinarily foolish statements about the Russians." His concern for peace impels Ford to leave his chateau to participate in the independent Peace Commission in Vancouver.

For most of his adult life Ford has lived outside Canada, and his physical condition now makes it impossible for him to endure Canadian winters. Still, in summertime Ford returns regularly to visit friends in Ottawa and London. "I am a north-operative Canadian," he said proudly, "and my roots are deep. The fact that I don't live in Canada does not diminish my attachment to the place." As an expatriate by choice in his career, he is now an exile by necessity.

Retirement in France has freed Ford's pen. In the past year alone he has composed almost 50 poems. Halfway through a book analyzing Soviet leadership, he is also at work on his memoirs, based partly on the notes of his late wife. Ford, the *Wasserman* workings of the chateau to the cryptic imagery of his poetic imagination, R.A.D. Ford will continue to bring hidden worlds to light.

Walt Ross (bottom) in Vicky

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## A new era for Canada's highest court

In 1961, when Gerald La Forest returned to his hometown of Grand Falls, N.B., he had already earned five university degrees, including a law degree from Oxford—as a Rhodes Scholar—and a doctorate in law from this. With those credentials he could have practiced in more affluent places, but the call of the Maritimes proved too strong. “Basically,” he recalled last week, “I had to come back. I looked all over New Brunswick and

became a lawyer when the French-speaking courts of a Grand Falls attorney asked him to translate during a meeting. La Forest was 15 years old and he recalls “I was the lawyer sitting behind his desk and thought, it looked like easy work. It was a fatal mistake.”

La Forest practiced privately for a year and later joined the University of New Brunswick in 1966, which began a 16-year teaching career. He has published six books, mostly dealing with

who get to those positions who have declined themselves very clearly.”

Until recently, Canadian judges had little opportunity to influence the direction of Canadian life on the basis of Charter decisions. And even now, Wharfedale lawyer John Lammert, for one, predicts that provisions within the Charter allowing provinces to amend its rulings practically guarantee that the Supreme Court will proceed exclusively. Initially, La Forest could apply Cana-



La Forest, a brilliant legal scholar and political activist with a penchant for tough cases

the appointment of the 58-year-old La Forest, who presided over the New Brunswick Court of Appeal, sets a precedent for Canada's highest court. For the first time, all of its nine judges will bring previous experience on the bench to their work. And with the equal rights section of the Charter taking effect this spring, La Forest's appointment is clearly timely. Scott La Forest, 75, is going to be a tremendous asset looking forward to working with the other members of the court. They are outstanding people to have in these challenging times, with the new section of the Charter of Rights coming into effect. I enjoy my job,” says La Forest. Replaces Mr. Justice Robert Rinfus, a former Halifax lawyer who for 25 years held the seat on the court traditionally reserved for an Atlantic Canadian. Rinfus retired last year for his health.

His successor comes from a working-class French-Canadian family in Grand Falls, a farming community of over 5,000 located 126 km northwest of Fredericton, where he was the youngest of 13 children. He says he first decided to

constitutional law, served as the dean of law at the University of Alberta and as commissioner of the Law Reform Commission of Canada. He reached a milestone in his career in 1975 when, as federal assistant deputy attorney general, he helped draft the so-called “Oakes charter,” an early attempt at what became Canada's Constitution in 1982.

La Forest has successfully conciliated his own political preferences during his 15 years on the New Brunswick bench. His only break with parties came when party officials unsuccessfully approached him to try for a provincial Liberal nomination in his home riding of Victoria in 1951. La Forest carefully describes himself as “a centrist, slightly to the left.” Then he adds, “It depends on the subject.” I surprise myself on some issues I seem to be liberal, on others I seem to be conservative,” commented University of Toronto professor Peter Russell. “There are not many people

in the new Charter in two opening relatively minor cases, one of them challenging a section of the Narcotics Control Act, which requires those who have been found in possession of drugs to prove they were not trafficking.

But there are several more significant cases in which the court's decision could produce a dramatic effect. Among them are a challenge to the constitutionality of the Ontario Censor Board, several cases dealing with freedom of association and trade union rights—and after it passes through the Ontario Court of Appeal—the Margulies abortion case. For his part, Toronto lawyer Kenneth Swan declared that La Forest's appointment is “very appropriate.” Added Swan: “The Charter can only benefit from swift, careful interpretation. Radical approaches will simply bring it into disrepute.” —JOHN BARRETT, with Catherine Clark in Fredericton and Angelina Mahon in Toronto.



Zundel (in blue hard hat) listens, confronts and questions about the number of Jews killed during the Second World War

## A courtroom clash over the Holocaust

By Patricia Hinely

SINCE Jan. 7 an Ontario county court jury has been hearing testimony that will help it decide whether a Toronto publisher knowingly spread false information about the mass murder of Jews during the Second World War. The trial is likely to last for another week but it has become clear that one of the most harrowing events in history has not passed into the textbooks and is still capable of arousing passion.

In 1963 Ernst Zundel, a 46-year-old Canadian artist, published a pamphlet which claimed that, contrary to the numbers of Jews killed in Nazi concentration camps had been grossly exaggerated or even false. Zundel has pleaded not guilty to two charges of wilfully publishing false statements that were likely to cause racial or ethnic intolerance. As a result, the Crown must prove that he knew the statements were false when he published them.

Zundel's assertions that only thousands—not millions—died in the camps has angered many Jews. His Jan. 7 appearance at the courthouse for the first day of the trial caused a confrontation between 25 members of the militant Jewish Defence League and 15 hard-hatted supporters forming a protective

screen around the defendant. And inside the crowded downtown courtroom, as the trial entered its third week, the atmosphere remained tense as defence lawyer Douglas Christie and Crown witnesses faced over the fate of European Jewry during the war.

At the centre of the case are the two pamphlets that the German-born Zundel admits to publishing. In *The War, War and Peace*, Zundel, who wrote the four-page pamphlet, argues that Zionists, Freemasons, bankers and Communists are all joined in an international conspiracy against Israelites. But it is the second pamphlet, *Did Six Million Really Die?*, claiming that only 300,000 Jews died in the Holocaust, that has so far dominated the trial. Last week, in an attempt to discredit the pamphlet's conclusion, Assistant Crown Attorney Peter Griffith called two survivors of the concentration camps to witness. Arnold Friedman, a Toronto businessman, testified that as a 16-year-old prisoner in Buchenwald, Poland, he watched thousands of Jews arrive in the camp, where guards forced many of them to march toward their crematoriums. Believed Friedman: “Most of the people who were not fit to work—the elderly, the children, the mothers—never came out.”

Then, many of the spectators stiff-

ened with shock as Christie challenged Friedman's testimony, arguing that he could not have seen thousands belling him and smoke from burning human flesh—because crematorium chimneys do not emit smoke. Asked Christie: “What do you say about that, sir?” Replied Friedman: “Nothing. If you are talking about crematoria in Toronto and crematoria in Auschwitz (the system of camps that included Buchenwald) there are two different things. In Buchenwald smoke came out the chimney.”

Later Christie clashed with Rael Hilberg, a professor of political science at the University of Victoria in Vancouver, over the meaning of terms in Nazi documents. Hilberg, an expert witness for the prosecution, testified that he had studied the events of the Holocaust for 37 years. His examination of German documents of the era, he said, had led him to conclude that more than five million Jews had perished under Nazi rule—most of them in the concentration camps. As Christie prepared to call his witnesses, it was clear that the Crown's stated intention at the beginning of the trial—to prevent it becoming an excuse for again discussing the horrors of the Second World War—had already fallen victim to the passions that still swirl around the Holocaust. □

## Two victories over Time

By Lenay Glynn

For former Israeli defense minister Ariel Sharon, last week brought two victories as satisfying as any he has won on the battlefield. After eight weeks and 14 witnesses, the jury in the \$50-million (U.S.) Sharon vs. Time Inc. libel suit decided that a paragraph in a Time cover story on Feb. 20, 1985, had indeed defamed the fiery general. It implied, the jury said, that Sharon had "accidentally intended" to inspire a brutal massacre by Christian Phalangists of hundreds of Palestinian refugees during Israel's 1982 siege of Beirut. And two days later the jury found that the disputed 113-word reference in the story was false. Sharon's lawyer, Milton Gould, who took the case without charge at the request of American Jewish organizations, pronounced himself "delighted" with the jury's decisions. And on the steps of the Federal courthouse in Lower Manhattan, Sharon himself denied Time—which substantially stands by its story—for "showing that the jury does not understand plain English."



Sharon: a conversion of plain English

The jury's verdicts settled two of those key questions in the case, and at week's end the six jurors were sequestered pondering the third issue: whether Time published the story with "malice" or with "reckless disregard for the facts." Under U.S. libel law a finding of defamation and falsehood is not enough to ensure a plaintiff's victory. Only findings against the magazine on all three issues would lead to a further stage of the trial: the determination of a cash reward for Sharon's injured reputation.

The focus of the other, longer libel trial was, in fact, the one paragraph in Time's cover story on the findings of the Kahan commission—the Israeli government's investigation of the bloodbath in Beirut's Sabra and Shatila refugee camps in September, 1982. It was based on information gathered from still-confidential sources by Time's Jerusalem correspondent David Halberstam. In the contested paragraph Time declared that a secret "Appendix B" of the commission's report mentioned an account of a meeting held between Sharon and the powerful Gemayel family one day after an assassin's bomb killed Bashir Gemayel, the clan's clan head, at the time, the president-elect of Lebanon.

"Sharon," Time wrote, "reportedly told the Gemayels that the Israeli Army would be moving into West Beirut and that he expected the Christian forces to

go into the Palestinian refugee camps. Sharon also reportedly discussed with the Gemayels the need for the Phalangists to take revenge for the assassination of Bashir, but the details of the conversation are not known." One day later the Phalangist militia did, in fact, enter the refugee camps, and the killings began. Sharon admitted that he met with the Gemayels but denied that the subject of revenge was raised.

Lawyers representing the magazine and Sharon jointly examined Appendix B earlier this month in Israel but heard no details of the "revenge" discussion. As well, Israeli authorities denied Time's requests to see other secret Israeli documents. As a result, Time's editors last week contained a rare "correction" conceding an "error" about Appendix B while emphasizing the substance of the story. Argued the magazine "Time's sources for what was said at those meetings remain confidential, but as recently as two weeks ago they reaffirmed once again to Time that revenge had been discussed."

Last week Time's managing editor, Ray Cive, spoke to the courthouse and gave his reaction to the jury's verdict to reporters covering the trial. He insisted that even if he could rewrite the disputed paragraph, he would only change it to say "that talk of revenge would be denied." "In secret testimony" taken by the In-



Ray: the story provided an easy target

raeli newspaper, not in Appendix B. Denuded Case "We have continuing great confidence in our sources." Should the jury find that Time's reporting was either malicious or reckless, an appeal by the magazine would likely argue that the Israeli government has suppressed material that would have helped Time's defense.

Clearly, the verdict in Sharon's favor on the first two counts is likely to help clear a political reputation that has been tarnished for two years. It might even help reconcile his dream of becoming Israel's prime minister at the head of the Likud party. The Kahan report led, after all, to find Sharon indirectly responsible for the Beirut massacres because he had authorized the Phalangist militia to enter the camp. But the Time story, by speculating beyond the report's public conclusions, in effect gave Sharon an easy target. Thomas Barr, Time's lawyer, suggested exactly that in his concluding arguments. Sharon, Barr contended, "had to fight somebody. He could not use the commission. It had already gone out of business. He picked out this one paragraph and said, 'That is the way I am going to wash my hands clean of this terrible, terrible man.'" Even before the jury reaches a decision on the third count, Sharon may not have any last words toward Time. Just that. □



IN THE WORLD OF RUMS, THIS ONE STANDS ALONE. MYERS'S TROPICANA RUM.



CF president Keith Stewart: problems, absorption and the loss of another role

## The end of a wire service

United Press Canada (UPC) employees found it difficult to retain their singularity as one major news agency last week. The Toronto Star announced that UP's rival, the Canadian Press (CP), would absorb the smaller wire service on Jan. 31. But UP's 54 employees were among the last to know that Canada's second wire service was about to disappear. Declared Toronto bureau chief Kenneth Becker, 58: "We started tracking the story down after outside journalists began calling. By the afternoon we had learned that it was true." Shortly after 4 p.m. executive editor Robert MacEachern endorsed the sale and told UP's nationwide staff that the Toronto Star Publishing Corp., which owned 80 per cent of UP—United Press International (UPI) held the remainder—had sold the six-year-old company to CP for just under \$1 million.

The announcement that CP, a co-operative owned by 302 newspapers with a staff of 500, would be the only wire service in Canada drew an initially muted response from many news organizations. The Globe and Mail, for one, published a 10-paragraph story on page B1 that afternoon. Federal antitrust-law investigators began examining the takeover. The Competition Investigation Act makes it a criminal offence to create and operate a combine or monopoly to prevent or lessen competition. Meanwhile, a promise of new jobs at CP (and several at The Star) lessened some of the initial shock at UP's closure. Declared Becker:

"Still, we all felt a bit like a baseball player who learns on the radio that he has been traded."

For their part, some media observers harshly criticized the takeover. Said Peter Deshaens, dean of journalism at the University of Western Ontario in London: "Although UP was a small, struggling operation that in many ways was not competitive, it gave Canadians a rare, rare perspective. I consider it a tragedy when any voice is lost."

Still, many publishers, including Clark Dawy of the Montreal Gazette, argued that the takeover was a positive development. He decried UP's coverage as "pretty spotty," adding, "It is extremely expensive for a small wire service to provide significant Canadian content."

Indeed, The Gazette decided to drop UP's service this March, and The Toronto Star stopped using UP's last December. Those twin blows, said Star publisher J. Douglas Creighton, prompted the sales negotiations with CP. And UP, which serviced 30 newspaper clients, never matched the 80-radio-and-TV, which also supplies 600 radio, television and cable TV outlets through its affiliate, Broadcast News Ltd. In a letter distributed to UP staff members last week, Creighton wrote: "The Star and UP combined to start an alternative news wire with Canadian content with the hope that someday it would make money. On Jan. 31, 1985, that dream will officially die."

—SHONA MCKAY in Toronto

## JUSTICE

## An insult to injury

For McGill University psychiatrist Dr. Elvira Casasco, the news that a \$50,000 grant was a welcome windfall. The money was given to Casasco between 1987 and 1990 by the Cornell University Medical School's Society for the Investigation of Human Ecology, which the U.S. Central Intelligence Agency (CIA) supported, to conduct brainwashing experiments. Casasco subjected more than 50 unsuspecting psychiatric patients to repeated and intense electroshock and talk treatment. He isolated them and made them listen to repeated taped statements 16 hours a day for almost a week, then put them into a chemically induced sleep for seven to 10 days. Four years ago nine of those patients, all of them Canadian, sued the U.S. government for \$1 million each. Last week, Washington offered to settle the suits for \$30,000 each. But Winnipeg attorney David Gelfow, whose wife, Velma, is one of the plaintiffs, spoke for all of the plaintiffs when he denounced the offer as "a mockery—as insult."

It was the latest of several setbacks that the Canadians have experienced since they filed their suits in the U.S. District Court in Washington, D.C., in December, 1988. In 1992, Internal Affairs Minister Allan Rock told Ottawa that Washington had apologized for the CIA's actions—a statement that the Americans later denied making. Then, last January, MacEachern said that Canada might take the case to the International Court of Justice in The Hague. Said Joseph Rauh, veteran U.S. lawyer and one of the Washington attorneys handling the Canadian case: "The United States had a 31 and Canada lacked four." He added, "They are still saying to us that this is a nuisance case and that is all you are going to get."

Rauh said that he plans to introduce in court a document detailing the case so far. But after four years in litigation the plaintiffs say that they are pessimistic—and angry at what they consider to be the Canadian government's halfhearted efforts on their behalf. Said Orlikoff: "I really feel that the Canadian government has been reluctant to go to bat for Canadian citizens who have been very seriously and adversely affected." Said Rauh: "It is a pity that a 31-year-old American civil liberties lawyer cares more about one Canadian citizen than their own government."

—PETER KOPPELBERG

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of Mozart's ingenious games with counterpoint, the *Wind Serenades* in E-flat major and C minor. The ensemble captures both the composer's infectious charm and his sombre, disquieting undertones. Other wind players have featured more litig interpretations; few have been more truthful to the music.



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GERSHWIN: AN AMERICAN IN  
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AND BESS  
Kahn and Marielle Labèque  
(Angel/Capitol)

Lyrical Ira Gershwin was so impressed by pianists Kahn and Marielle Labèque—"I see fireworks when those girls play!"—that he helped the French sisters obtain first performance rights to his brother George's neglected two-plate version of the 1935 score for *An American in Paris*. Now, the lyricist's vote of confidence has been rewarded. The Labèques' vividness playing features miraculous time-shifting and subtle dislocations, a persuasive mix of hokey-took and the full sensuality of two grand prizes. And their sultry, wistfully phrasing is just right for Percy Grainger's *Pastory on Porgy and Bess*, another Gershwin classic. With a spacy version of *I Got Plenty O' Nuttin'* and steady refections of *I Ain't Necessarily So* and *Summertime*, the album offers rich, almost decadent pleasures.

RAVEL: MA MERE L'YVE,  
LE TOURNEAU DE COUPERIN  
Montreal Symphony Orchestra  
Conducted by Claudio Dauter  
(London, PolyGram)

The Montreal Symphony continues its seemingly unobtainable run of superlative recordings with four of Maurice Ravel's masterly orchestral miniatures. All of them hark back nostalgically to earlier times. Ravel wrote his *Ma Mère L'Yve* (Mother Goose) for the two children of an artist friend, while his *Pavane pour une Dame* (Pavane for a Dead Princess) is based on a 16th-century dance form. The gossamer delicacy and sprightliness that Charles Dutoit extracts from his players recognize a model of the French orchestral style.

BARTÓK: CONCERTO FOR  
ORCHESTRA  
Concertgebouw Orchestra  
Conducted by Antal Dorati  
(Philips/PolyGram)

The new recording of Béla Bartók's *Concerto for Orchestra*, coupled with his *Two Pastures*, by Antal Dorati and the Concertgebouw Orchestra of Amsterdam, is particularly welcome. Dorati, a disciple of the late composer, draws on the insights from his association to make the piece both exciting and inviting by letting the more narrative and alternating between the playful and impassioned sections. Dorati produces a sound so enjoyable that it is hard to imagine even determined opponents of 20th-century music not being won over.

—JOHN PEACHE

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### HEALTH

## The new price of a smile

**L**ike most Canadians, Louise Carleton, a 56-year-old Toronto insurance clerk, had long assumed that orthodontists rarely treated anyone but children. But four years ago, after she had read articles about orthodontists who also braced adult patients, she agreed to treatment for an overbite she ordered the early metal appliances fastened to her teeth for a full year before her orthodontist decided that only major surgery could correct her bite. She wore the braces for another 2½ years in preparation for the ap-

pendental, or max, disease. Almost all adults already suffer from some form of gum inflammation or disease, and the presence of braces can aggravate the problem, according to Dr. John Speck, a periodontist with the University of Toronto Faculty of Dentistry.

Orthodontists admit that the special problems of their adult patients only became apparent after the boom in adult orthodontics five years ago. In dealing with adults, orthodontists must extract overcrowded teeth more often than with children and, in the case of



Wauwatosa: the new popularity of adult orthodontics has revealed serious risks

tion, and last summer a dental surgeon broke and reset her jaw, then wired it shut. It stayed that way for six weeks. Said Carleton: "The surgery was awful. I think I would have preferred to live with my problems rather than have to go through that again."

Like many other adults, Carleton discovered that the correction of poorly aligned teeth in adults is not an simple as it is in children, whose teeth and jaws have not fully developed and can still be altered. And as adult procedures have become more common, dentists have discovered that adults also run much higher risks of contracting serious gum and bone disease from orthodontics.

Although scientific journals have published no major studies that outline the risks of adult braces, many dentists now admit that they are considerable. The problem arises when hardware in the mouth gathers bacteria through food debris, which lodges under the gum margins. There it can destroy the bone that anchors teeth, eventually resulting in tooth loss—the first sign of peri-

odontitis, or max, disease. Almost all adults already suffer from some form of gum inflammation or disease, and the presence of braces can aggravate the problem, according to Dr. John Speck, a periodontist with the University of Toronto Faculty of Dentistry.

Because of the problems, many dentists are now becoming more selective in recommending adult candidates for orthodontics. For his part, Dr. Donald Wauwatosa, head of U of T's orthodontics department, declared, "Adult patients should not start orthodontics until they have been cleared by a periodontist to ensure that any periodontal difficulty is under control." And the number of adult patients in straighten their crowded teeth is bound to ensure the survival of adult orthodontics. Says Louise Carleton, who is finally pleased, despite the ordeal of surgery: "I have a perfect bite now," she said. "And my teeth look great."

—MARGIE LEVON



From left: centre) pursuing the movie 'He who also dies with the most goes wins'

### FILMS

## Traitors without a cause

**THE FALCON AND THE SNOWMAN**  
Directed by John Schlesinger

**I**n 1977 a United States Federal Court sentenced Christopher Boyce and Andrew Deakin Lee, childhood friends both in their early twenties, to prison for selling top-secret information to the Soviet Union. In trying to discover why these two young men became Soviet spies, *The Falcon and the Snowman* is a drama of missed opportunities. It suggests that both Boyce (Timothy Hutton) and Lee (Sean Penn) were too little boys who never quite grew up and who did not realize the seriousness of what they did. That forces the movie into the trap of trying to make its protagonists likable rather than understandable.

After dropping out of a Roman Catholic seminary, Boyce goes to work at a government intelligence centre as a clerk handling the receiving and shredding of sensitive information on covert CIA satellite surveillance. Meanwhile, Lee is dealing in drugs across the Mexican border, trying to live up to his self-imposed motto, "He who dies with the most toys wins." Their efforts at espionage use an object lesson in naivety: Boyce offers the top secret information and Lee acts as a courier to the Soviet Embassy in Mexico City. Their spying methodology is extremely stupid.

Lee simply walks into the Soviet Embassy with their proposal, utterly unaware that U.S. intelligence knows, as a matter of course, monitor

all comings and goings. Director John Schlesinger (*Marathon Man*) and his screenwriter, Steven Zaillian, suggest that the disillusionment of the young in the early and mid-1970s was primarily responsible for Boyce's and Lee's behavior. They use 1970s newsworld footage during the opening credits and later intercuts bits of half-hearted political discourse as Boyce's part. For the drug-induced haze of the cocaine-smoking, Lee they offer no explanation other than a general rebelliousness.

An anxiety close in to Boyce and Lee, each begins to betray the other. But the film fails to make that betrayal emotionally wrenching because their friendship seems as shallow as the first plane. Hence movies of the two men as after became tragically not enough to dramatize their own cold bond. The film's two major sins of omission—malice and deep emotional tensions within the friendship—are staggering in their magnitude.

After their capture by the CIA—the one sequence that Schlesinger shoots with verve and excitement—the audience is left with too many questions. There is little analysis of the role of their Roman Catholic upbringing, the impact of Boyce's alienation from his father, a former war man, and the depth of Boyce's and Lee's political commitment. The Falcon and the Snowman is a masterpiece of surface without shadow—which a movie about espionage should never be. —LAWRENCE O'TOOLE

## Murder on the fitness trail

**BEDROOM EYES**  
(Directed by William Fried

**B**edroom Eyes, directed by William Fried, is ostensibly a murder mystery, but in fact it is more a hymn of praise to Young Urban Professionals, a group whose members' main preoccupation is adding to their Great Personal Freedom. A Yappie movie has two essential ingredients: snare and clothes come ahead of character, and those taken proceed to new houses. The result, in *Bedroom Eyes*, is a plot as tangled as that favored Yappie beverage, a white-rum spritzer.

Harry Ross (Kenneth Cernigoi), a hard-driving stockbroker whose white Mercedes attracts a lot of parking tickets, is lugging one night through the gentrified streets of Toronto's Chalmers district. The camera zooms in on a dog excrement, giving it special importance. Because Harry stops to urinate—and then stops to clean off his Addison—he notices Louisa (Debra Riddick) coming from the living room of a house. When he peeps through the window and sees a red-haired woman undressing, it causes his heart to pump faster than his cigarette just has ever done. Compulsively, he returns every night to watch the usual goings-on of the occupant and her male and female partners.

But life as Peeping Harry does not rest easily in the hero's mind, and he becomes a psychopath. It's Harry's surprise, Dr. Joe Bernese (Boyle Haddock) turns out to be a woman who wears a leather skirt and silk blouse. But Bernese's license should be revoked, because her approach to psychotherapy consists of paring her lips in a coy come-on to her client. As well, it falls Harry to return to the Chalmers area. When he witnesses a killing.

What plot the movie has completely falls apart when the police charge happen to be the police, which is a very common-sense plot. As well, it falls Harry to return to the Chalmers area. When he witnesses a killing.

What plot the movie has completely falls apart when the police charge happen to be the police, which is a very common-sense plot. As well, it falls Harry to return to the Chalmers area. When he witnesses a killing.

—JANE O'TOOLE



Thomson (right) in concentration camps: a national hero slipped into the mainstream of history

## TELEVISION

## Battling Hitler's barbarism

CHARLES GRANT'S WAR  
(cont. Jan. 31)

When the emaciated Charlie Groat (R.H. Threlkeld) staggers out of the Nazi concentration camp where he has spent most of the Second World War, he mutters to the first Allied troops he meets, "I am a Canadian." That proclamation forms the moving climax to *Charlie Groat's War*, a masterful television drama about a real-life national hero—a little-known Canadian soldier who saved Hitler's death camp. *Charlie Groat* is not only first-rate entertainment. It is also a quintessentially Canadian story which reveals aspects of the national character that are all too often buried in the cross-border flood of American culture. Indeed, with the cast facing large budget cuts, *Charlie Groat* is a timely reminder that the Canadian network can still play its crucial role of developing national treasures of talent.

The film opens in 1838 as its young hero sets off on a European tour. Chastised of his manner in Vienna, Grant falls

into the protective hands of some Jewish, cultured and warm-hearted Jews, including Elizabeth (Jana Orenstein), her husband, Jacob (Jack Rubin), and her brother, David (Peter Beresford), a high-ranking diamond merchant. Grace, masterfully portrayed by Thomson, finds him as through the sophisticated milieu with its sophisticated and a true color. Indeed, his very color is so flat, so undisturbed. His cynicism—sounds as old as place in Vienna as a result, in a symphony orchestra. But hidden in Grace is a secret, outrageous during which finds into view when David, looking for an assistant, challenges him to tell the difference between a false diamond and a real one. Grace impulsively swears one of the jewels with a glass of water. The next day, she is told that will be of internal digestion—and then resurrection is false.

Still, Green's daring would count for little if it were not coupled with his growing moral outrage. First as an employee and later as the head of Tyfus's firm, he tries to ignore the rising tide of racism around him. But finally his own

the Jews. Canada accepted a mere 5,000 Jewish refugees among the hundreds of thousands fleeing Europe in the late 1930s. Charlie Grant effectively sums up Canadian racism in the person of Prime Minister Mackenzie King (Larry Reynolds) who refuses a request by Charlie's mother (Margulit Chazarewsky) to give Elizabeth and Jacob refuge in the country. King pontificates, "We must keep this part of the continent free from foreign strains."

Bill, ml of Charlie Grant is comparable to Canadians—a proof that their national television network can mount dramas to compete with the best anywhere. On a shoestring budget of \$15 million, director Martin Laro and cinematographer Vic Savin have richly recreated the drawing rooms and cafés of prewar Vienna. And Anna Sandor's script builds a sense of the sheer remarkableness of one man's life. Charlie Grant's War is one of the high-water marks of Canadian television. It may give politicians second thoughts about showing the budgets that make such films possible.

—JOHN SEVERSON

## A passion for artful images

[illegible]

bathes the set in a cold blue light but creates a dramatic contrast with an orange fire flickering in a brazier near a German guard in the foreground. Without a word of dialogue, the scene speaks volumes about Graw's misery and distance from home.

The road to Canada and cinematography there was a roundabout one for Sarin. When he was 12 he emigrated to Australia with his parents, where he eventually became a news cameraman for the Australian Broadcasting Commission television network. On one occasion his boss sent him to film a fire raging across 30 acres. Sarin arrived late and discovered that the blaze had gone out. Unintentional, he set a second fire, but this time he was not so artfully chosen: unlike the "bank fire" appeared that night on the news.

Sarris tells that story somewhat regally now: to him it demonstrates the great power of the camera to create its own kind of truth. He is wiser of that



**Series alpha-profile**

power—and more inclined to approach it with respect. Several years after arriving in Canada in 1963, he worked on a documentary, *Coming and Going*, which required him to film a cancer patient dying in a Winnipeg hospital. Said Kozin: "You feel like a stupid fool, pointing a camera at a man on his deathbed. It was the hardest thing I have ever done."



Atom Egoyr

planations. "And yet," he added, "we're getting there, we're getting there." Judging by the way Vic Saria's richly composed images beamed the ruin, at least a part of the national film industry has already arrived.

—JOHN RICHMOND

#### MACLEANS BEST-SELLER LIST

## Methods

- 1 Strong Medicine, *Healey* (2)
- 2 The Tallman, *King and Street* (2)
- 3 The Fourth Protocol, *Plumph* (2)
- 4 The Stricken, *Pinto* (2)
- 5 Since Daisy Cook, *Mitchell* (3)
- 6 First Among Equals, *Archer* (3)
- 7 The Aquitaine Progression, *Ludlow* (7)
- 8 Not Wanted on the Voyage, *Pendry* (3)
- 9 So Long, And Thanks For All The Fish, *Adams*
- 10 The Red, *Orr* (2)

### Reflection

- 1 *Isaacson, Andrew, with Shook (7)*
- 2 *A Day in the Life of Canada, Edited by Cohen (7)*
- 3 *The Promised Land, Rivkin (1)*
- 4 *The Traders: Inside Canada's Stock Markets, Ross (5)*
- 5 *Leaving Each Other, Beaumont (5)*
- 6 *What They Don't Teach You At Harvard Business School, McNamee (6)*
- 7 *Sea of Slaughter, Bennett (7)*
- 8 *Goodbye, Gorky and Zhygar (30)*
- 9 *There, A Hockey Story, Williams with Lortie (3)*
- 10 *Midwinter, The Making of the Police Minister, MacDonald (3)*

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# Curbing the lust for revenge

By Allan Petheringham

The sad fact of the world is that revenge—along with buggy whips, virginity and a decent hamburger—is out of style. I mean, how can the professional compete in the field when there are so easily eager amateurs intruding on the territory? They neither devastate the field these days, shoving the pros into a white-pining and shrieking clutch off on the fringes of life. Our latest entry, our latest intruder in what should be a sacred craft, is Senator Jesse Helms of North Carolina, who even in his earlier memoirs is one of the finest 19th-century minds in captivity.

Republican Jesse is so far out to the right in what is laughingly called his campaign that he makes Ronald Reagan appear aaving punk. He spent more than \$10 million to guarantee his Senate seat in last November's election, the most expensive campaign in American history for someone not a president (nearly North Carolina is a population of all of six million).

Senator Jesse threatens politicians into Whitehall and Bonn and Phnom and other remoteness of normal minds, in that he even at his own expense occasionally over (he doesn't) foreign relations committee, a move that would frighten even the Kremlin. Luckily, he never comes into his chairmanship of the senate committee, which deals with the allies with the allies (commonly known as the allies), which is good. If North Carolina's major crop and, internally, a supplier of much of that \$10-million bonfire.

Senator Jesse is new on to a new scheme, which brings us back to home, which always handles the truth. He has started a national campaign to trip fellow conservatives to buy stock in this or be on approved in dangerous, conservative ways. The thought of this hyperactive (and too rather being "liberal" or "conservative") may strike me and you as ludicrous, but Jesse wants to run him in the name of a one million households' consent.

Allan Petheringham is a columnist for Southern News.

is, hoping to raise the \$1 billion it would take to get a 50-per-cent controlling interest in the oil network, which is currently trading at \$77.80 a share.

This may appear lower, which it is, but it is technically possible. It also provides us with the sobering little warning about something that is far more important than oil, which usually is a shrewdly designed to make money, which it does very well, thank you very much. What is more important is the oil, which plays a large part in making Canada what it is, and is in a very bleak state at the moment.



Your Morning spent his some small problem with these resources, save it occasionally rip off the old Holy Mother Corp. for some good, in a variety of diagrams, but one must stand up even while the eggs are being hatched. There is as yet no Jesse Helms emerging in the British Museum government, but there are, no doubt, lurking within the museum that blooded they cause, remain to be his hand-out.

One problem is the lower syndrome. Parties, and politicians, out of power too long, a stretch develop his laws and recommendations and hatreds, based on personal injuries. There is many a failure sustained on the Conservative government benches who find that those wretches at the CBC, overseas and downworld, were responsible for keeping the Liberals in power for too long. Too terrible, as a matter of fact, as an expert on cut and waste and underwork, upon some tone of it over the ages—especially in relation to

the work rate in the private industry and in the fifty "commercial" years. There is in the CBC that should be mentioned—but what is disturbing is the revenge factor.

Written Churchill, who was no clear democrat right across the board, and that a society could be judged on how it treated those of its citizens in jail. That in a shrewd (and competent) tonight—perhaps influenced by the fact that Churchill early in his war-buffing career was thrown into the slaver in South Africa (and escaped). One might be so bold as to state that the Mulroney government may be judged, over time, on how it treats sectors it can so easily bully the arts, the communications field, museums, universities, etc.

There lurks within the true Conservative still a belief that all those artsy professors are having a lark, that what they do is not really necessary. This attitude, combined with the genuine Philistinism in the Tory benches, presents a very dangerous Revenge Factor. What those people want is a short stay in a foreign country (i.e., the rich United States, which can do anything if only someone leads the way).

The short stay, as it does to say Canada, only reinforces appreciation of the brilliance and the integrity of Peter Osofsky's Memorandum, or Barbara Prout's The Journal or Elizabeth Gray's As It Happens. They would be suit figures below the borders, in Canada they are national treasures, completely respected, even though appreciated.

It was a Conservative government under R.R. Bennett that conceived the concept of a CBC in the first place. The genius of Canada lies in its public institutions—the CBC, the CRTC, the Canada—each were necessary to bind the underprivileged nation together (unlike the U.S., where private capital has been so rapacious).

There is a tiny, unhealthy staff of the Jesse Helms mentality in some elements of the Mulroney government: the press is an enemy, so let's cancel it. The test of the Prime Minister is whether he can detect that and not let revenge—and control it.

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